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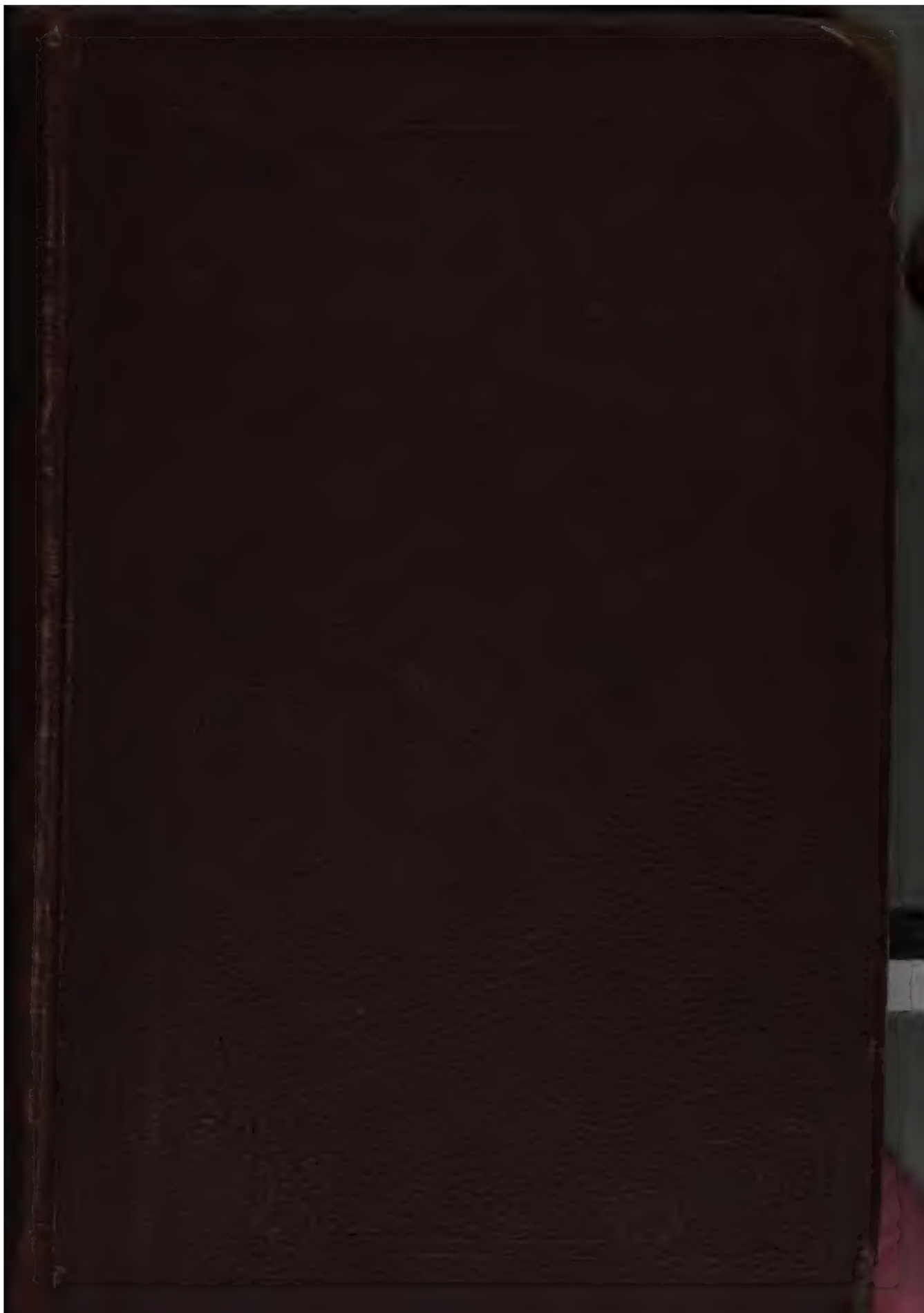
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Yours Very Respectfully
Silas Wright

THE
LIFE AND TIMES
OF
SILAS WRIGHT.

BY R. H. GILLET,

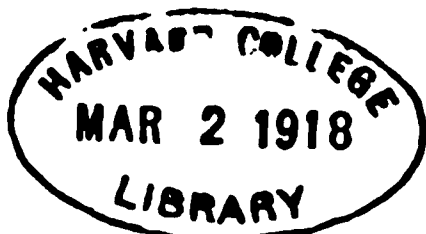
AUTHOR OF THE "DEMOCRACY OF THE UNITED STATES," AND "THE FEDERAL GOVERNMENT,
ITS OFFICERS AND THEIR DUTIES."

VOLUME I.

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TO

HON. FRANCIS PRESTON BLAIR

The Life-long Personal and Political Friend

OF

SILAS WRIGHT,

THIS WORK ON HIS LIFE AND TIMES IS RESPECTFULLY DEDICATED,

AS AN

EVIDENCE OF ESTEEM.

BY

R. H. GILLET.

INTRODUCTION.

THE Author has endeavored to present SILAS WRIGHT to the present generation as he was seen and known to the last. Although ardently attached to him, he is not aware that he has overdrawn one trait in his character, or failed truly to represent the varied acts of his stirring life. For more than twenty years he was distinguished as a rising star whose brightness was never obscured by spot or cloud. Few did or said so much during their long lives. Whatever feelings envy may have engendered against him, he was no man's enemy. He wrote and spoke freely, and believed and felt what emanated from him. To what extent his thoughts should be presented to the public, was a question of deep solicitude to the Author. On reflection, he finally determined to present whatever came within his reach, as fully as the same came from him, whether it related to political, friendly or family matters. In no other way could he be presented and seen as he was, and his true character be fully known and properly appreciated. It would present him almost as unfairly to suppress a portion of what he said and did as to add to either.

His speeches, in most cases, were carefully and laboriously prepared by his own hand for the public. His

letters clearly and truly present his feelings and thoughts, and were designed to produce conviction in the minds of those to whom addressed. They contain nothing not consistent with truth, and which had not been freely and fully communicated to those with whom he mingled in an unrestrained intercourse. He never said, or did, or wrote anything concerning public affairs which he wished to conceal from the public. There are few thoughts, if any, contained in one now given, which he had not, at some time, freely communicated to the Author, and others about him, without an injunction of secrecy. We think it due to his reputation and our readers to give his letters as we found them, as best calculated to show the man as he really was. It is not in the studied expressions of those laboriously prepared for the public that the real man is to be found, but in those rapidly dashed off for the eye of friends, whose criticisms never have stings. With very few exceptions, every letter given was written to trusted friends, and not for the public, and are therefore the more valuable. They will be found between chapters where they do not constitute a separate one, in the order of date.

Mr. WRIGHT's speeches and reports, now given, do not, in all cases, possess the same interest as when first presented to the public. With the thorough investigator and profound statesman, their elaborate details, instead of being the source of objection, will excite great interest, while the political wisdom found mingled in them will well reward the labor of all who study them.

The Author hopes he has so presented Gov. WRIGHT as to secure for him the respect, if not the admiration, of all his readers. He trusts that many will profit by his examples in their journey through life.

All must admire his patient and untiring industry, his cheerful and unflagging perseverance, his great frankness and sincere cordiality, his kindness of heart and inoffensive manners, his intrepid and unbending integrity, as well as his heroic self-sacrifice in sustaining his cherished political principles, by yielding his own and conforming to the wishes of those friends who sought his services in a new field of action, when he reluctantly consented to be made Governor.

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Life and Times of Silas Wright.

PRELIMINARY CHAPTER.

When the intelligence of the sudden death of SILAS WRIGHT spread over the country, a common wish was manifested to learn more of his private life and character than was generally known, and to have his connection with public events fully developed. The former was met, in a limited degree, by the wide-spread republication of an anonymous, but truthful contribution of the author to a newspaper during his canvass for Governor in 1844. The facts presented in the latter were limited to the recollection of editors, and seldom referred to in their annunciation of the melancholy event. Soon after, Mr. John S. Jenkins published a life of SILAS WRIGHT, a very creditable work, considering the brief period in which it was prepared. It was included in a small compass, and contained three of his speeches in Congress and an Agricultural Address, prepared but not delivered by Mr. WRIGHT, in consequence of his death. This work was followed the next year by Jabez D. Hammond's third volume of his valuable Political History of New York, which included a life of SILAS WRIGHT of considerable length, showing great labor, care and diligence in its preparation, and, in the main, is strictly accurate. The author then contemplated the preparation of a biography, and the collection of his speeches for publication. But under the advice of Mr. Van Buren and others, the enterprise was postponed until the prominent actors in the stirring times when Mr. WRIGHT was engaged in public life retired from the stage, as they might become restive,

if not deeply offended, by a truthful and thorough exhibition of events as they actually occurred. A period of over twenty years has left few, if any, of these to be personally affected by anything which need find a place in a faithful biography of this inoffensive, modest and genial citizen. Many have gone from earth, leaving their places to be filled by other and younger men, and their own biographies grace the shelves of numerous libraries, to instruct the citizen and guide the public man in avoiding shoals and quicksands, and in finding the deep waters and road of safety. The following chapters will not unnecessarily wound the sensibilities of any one. They will be devoted to the development of the life, public and private, of a model Citizen, Senator and Governor, and to the discussion and application of the enduring and cherished principles which guided him in every position, and the results naturally flowing from them. That they will exercise a beneficial influence, wherever known and appreciated, is confidently expected. In the far-off cabin, and at the humble fireside everywhere, the prayer is often breathed that principles like his might control our public councils and govern the private and public acts of men, and that others like him might arise to lead the people — the government — in the path of safety. Full often has it been said, by men in high positions, and even whispered in the Senate chamber, what a blessing it would be to our distracted country if he could again return to earth and resume his position in our public councils, and by his wisdom, power of conciliation and his known unselfishness, combine the friends of the Constitution in favor of right and justice, and make our country what our forefathers designed it to be, a self-governed one, acting within the powers conferred by the Constitution, strictly construed, leaving the States to exercise, as they should see fit, all powers not granted to the federal government, and the people to pursue happiness in their own way.


CHAPTER II.

THE PARENTAGE AND BIRTHPLACE OF SILAS WRIGHT.

The ancestors of Mr. WRIGHT were among the early settlers of Springfield and Northampton, in Massachusetts. His grandfather removed to what is now called Amherst, at an early day, where his father, Silas Wright, was born. The latter, while quite young, was bound out as an apprentice to learn the business of tanning and shoemaking. He became well skilled in both and pursued them for considerable time. There were few schools in that vicinity, and he never attended one. At the close of his apprenticeship he worked as a journeyman for some time. During this period, through the kindness of a brother journeyman, he learned to read, write and keep accounts. Being a person who observed everything about him, and reflected upon and understood whatever he saw, he readily learned to transact business with promptitude and accuracy. In sound common sense he had no superior. His personal appearance was attractive. He was noted for his cheerfulness, playful humor and lively wit. These made him a favorite in all circles. His memory was retentive, and he became a well-informed man. He was, in after life, often sent to the Legislature, and was the arbiter of differences among neighbors, and was often selected to manage and settle the estates of widows and orphans. At the early age of twenty he married Eleanor Goodale, an educated young woman. She was the daughter of Isaac Goodale, a revolutionary soldier, who had served as a journeyman with him in Hampshire county, in which Amherst was situated. The patrimony of both consisted of health, industry and economy. Both

were endowed with excellent judgments. Observation and reflection supplied what the schools had omitted. Mrs. Wright's household arrangements might have served as a model for thrift and domestic enjoyment. She was fond of narrating past events with amplitude of detail, which arrested the attention and chained all listeners. Her strength of mind, benevolence and kindness, made her a great favorite among her neighbors, and her society was much sought. These excellent people lived together, enjoying the blessings of kind hearts and mutual affection, for sixty-three years. Their memories are fondly cherished by all who knew them. Of their nine children, two died in infancy, and seven grew up and were educated. Their father was able to give them respectable outfits, and two sons, Silas and Plinny, college educations, preparatory to studying law. The other sons became farmers, and the daughters married cultivators of the soil. Plinny read law, partly with his brother Silas and partly with James McKown, of Albany. He never engaged in active business. Ill-health and over-mental exertion prostrated his mind at an early day. The senior Mr. Wright, generally known as "Captain Wright," was an ardent republican and a devoted supporter of Jefferson, Madison, Jackson and Van Buren. His patriotism led him and his eldest sons to participate in the victorious battle at Plattsburgh on 11th September, 1814. His descendants, with just pride, point to the badge he wore on that day distinguishing him as one of the "Green-Mountain Boys." After a long and useful life he died at Weybridge, Vermont, on the 13th of May, 1843, aged eighty-three years. His wife survived him about three years. Their descendants reside in Vermont and Northern New York, and enjoy the respect and esteem of their acquaintances, and are noted for their honesty, integrity, fidelity and kindly dispositions.

SILAS WRIGHT, the subject of this notice, was born at



Amherst, Hampshire county, Massachusetts, May 24, 1795. This is one of the picturesque and charming places for which New England is noted. It is situated on a tributary of Connecticut river, and is now a flourishing manufacturing village, where Amherst College is situated. When less than a year old, his father removed to Weybridge, Vermont. He settled on Otter creek, where he cultivated a farm until his death. While he was really a native of Massachusetts, Mr. WRIGHT thus became a Vermonter. His attachments for the Green-Mountain home of his boyhood were strong, and continued through life, while all Vermonters looked upon him as substantially a native of their State. They were proud of his success as a public man and of his high personal character. The citizens of Weybridge, after his death, erected a beautiful monument to his memory, from which it has been said forty towns can be seen.

CHAPTER III.

HIS BOYHOOD.

There was little in the boyhood of Mr. WRIGHT to distinguish it from that of many others in the country. He grew up very robust, healthy and active. He had an exceedingly sweet temper, was remarkably mild and kind and much beloved by his playmates. Older people were often attracted by his genial qualities and were exceedingly fond of him. His manners were pleasing and helped win esteem. His honesty, integrity and love of truth and justice were proverbial. He never assumed to command among his playfellows, but they unanimously made him a trusted leader in their sports. His word, or opinion, settled their boyish questions and disputes, and to the common satisfaction. He was early put to work on the farm, for which he had a great fondness, which continued through life, increasing with his years. No one worked more faithfully. He was always exceedingly thorough in whatever he had in hand. This early trait in his character continued through life.

He commenced attending school, winters, at an early day, and worked on his father's farm the residue of the year. On one occasion he manifested his attachment to a schoolmate in an extraordinary manner. The boy sitting next him did something that caused him to laugh aloud. He was called up to answer for the offense. He was told by the teacher that if he would inform on the boy who caused him to laugh, he should not be punished, but if he did not, he should be severely dealt with. Believing that the boy did not intend to involve him in difficulty, he declined to give his name. The consequence

was, that he was severely chastised to save his comrade. Such an act of heroic self-sacrifice naturally endeared him to all his schoolmates. It elevated him in the estimation of all who understood and appreciated his motives. In after life he often silently bore the responsibilities of others, who should have voluntarily assumed them and have saved him from them. But he never murmured at such consequences.

The talents manifested by the schoolboy, his uprightness and the excellent disposition he exhibited, not only awakened the pride of the father, but attracted the attention of all who knew him, and induced a general expression in favor of his receiving a college education. The father was readily induced to consent and to make the necessary provision. He had been a thrifty and prudent man and had accumulated a very considerable property, out of which this son could be educated, and leave for each of his other children a sum equal to its cost. Silas thereupon commenced to prepare for college, and while doing so walked two miles and three-quarters, each day, to and from the academy which he attended.

He was naturally quite diffident, and he doubted his capacity to accomplish some things which others did with ease. Declamation and composition were terrors to him. The fear of making a failure in these induced him to absent himself on Wednesdays, when they formed a part of the exercises. In a by-place in the field, he and his brother, older than himself, erected a hut of oak staves where they studied and learned lessons on other subjects. When the irregularity was known it soon terminated, and, on trial, he was found to be a good declaimer, and in composition he early proved to be the best scholar in his class.

The three winters previous to his entering college—in 1811—he taught district schools, two of them in Orwell, not far from Weybridge, although only from thirteen to

sixteen years of age. In each he succeeded in winning the affections of his scholars and in giving satisfaction to their parents.

One who was with him when preparing for college,* says: "At that early period his frankness, his unbending regard to truth, and his perfect, upright and fair dealing were not only conspicuous, but were proverbial among his associates. His natural temper was mild and attractive. In the academy, while pursuing studies preparatory to entering college, he was an industrious student, and several times was the successful competitor for the small prizes proffered to excite emulation." His career in the academy was honorable to himself, satisfactory to its officers and attending pupils, and gratifying to his parents and friends. He left it quite prepared to enter college under favorable circumstances. He was quite as well prepared as any in his class.

* Rev. H. S. Johnson, of Canton.

CHAPTER IV.

IN COLLEGE.

In August, 1811, Mr. WRIGHT entered Middlebury College in the Freshman Class, and remained a member of that institution until he graduated in August, 1815. In college, he was never known to miss a lesson or transgress the rules in force. The Rev. Hiram S. Johnson, in a funeral discourse on his death, thus speaks of him: "My acquaintance with this friend commenced in 1811. In early life we were treading together the halls of science. I knew him there as an industrious and diligent student, and as one of the most upright and sober young men. I say this from positive knowledge, and I say it firmly, because I have heard misapprehension intimate that Governor WRIGHT was then indulging in some excesses. He was there distinguished for moral honesty and for an unbending regard to the truth. His inflexible attachment to truth and firmness was there, as it has been through all his life, proverbial. I have heard those who could not be mistaken say that, even in the days of his earliest childhood, his regard to truth and fair dealing was known, marked and controlling. These principles, thus deeply infixed, did much in laying the foundation for his unexampled elevation in after life. Mr. WRIGHT graduated with honor and respect."

He had no special taste for the dead languages, and it required much labor to keep up with his class in them. Having no occasion to use it, the Greek soon passed from his memory. The Latin, often occurring in the practice of his profession, was substantially retained through life, though not read with much pleasure. In those studies where mere memory was mainly involved, he cannot be said to have been very successful. But in those where

the reasoning and reflecting faculties are largely brought into play, he had few, if any, superiors. In geometry, algebra and mathematics generally, he was eminently successful. These furnished food for the mind and tended to give it that permanence and solidity which he then, and through life, exhibited. Although he had, in no portion of his life, occasion for the practical use of these sciences, they laid the foundation for those clear and perfect demonstrations for which he was always distinguished.

The war of 1812 occurred during his college term, and brought with it intense political excitement. The principles of the democratic and federal parties, and their leading acts, became the subject of fierce and heated discussion, as well in the schools and seminaries of learning, as in Congress and in the newspapers. Congress, on the recommendation of President Madison, and with hearty concurrence of the democratic, or republican party, as then often called, declared war against Great Britain to sustain "free trade and sailors' rights." The federal party, and especially in New England, violently opposed this declaration, and the measures taken to sustain it. The seeds of "secession," first planted in Mr. Jefferson's time, were seen to sprout up and grow in New England. Nothing was there left undone to make the war and Madison's administration a failure. Governor Chittenden, of Vermont, followed the footsteps of Governor Strong, of Massachusetts, and the Executive of Rhode Island refused to permit the militia of his State to pass beyond its boundaries to aid in the defense of sister States. They set at defiance that provision of the federal Constitution which declares that "the President shall be commander-in-chief of the army and navy of the United States, and of the militia of the several States, when called into the actual service of the United States." When Plattsburgh was threatened, the democrats of Vermont volunteered to assist in its defense. Among

the volunteers was Mr. WRIGHT's father, who was made a captain, a brother, two brothers-in-law and most of their neighbors. They all participated in the great battle won by General Macomb, rendered the more memorable by McDonough's great victory on Lake Champlain, fought at the same time. Such events were well calculated to arouse the feelings and precipitate conflicts not limited to mere words. His class consisted of about thirty, he and three others being the only democrats. Notwithstanding this disparity in numbers, these four young men were ever ready to defend their principles and the action of their party. It was conceded by graver heads, that they had as much the best of the argument, as their adversaries had the largest number. It was during this war, and on the occasion of these discussions, that the broad and firm basis of his political principles was laid. He then adopted the belief that the principles of the federal party, if carried out to their natural conclusions, would lead to secession and disunion, and that their acts at that time had such an end in view. These opinions abided with him through life; and he fully believed, as much as he did in his own existence, that it was necessary to secure the triumphant success of democratic principles, in order to preserve our federal constitutional form of government and secure the States in their reserved rights and duties, and preserve the Union. His whole political action, at home, in the Legislature, in Congress and as Governor of his State, had this unchangeable basis. He could never comprehend how principles beat into a man, in war, could fairly be beat out of him in peace; nor why, when a man once fully believed in a long series of political doctrines, he could forget or renounce them all, and become a true and sincere believer in those of an opposite character. His theory was, once a democrat, always a democrat, and that a federalist never really changed, however he might talk. Here we have a key to many of the important acts of his life.

CHAPTER V.

MR. WRIGHT SELECTS THE LAW AS A PROFESSION, AND STUDIES IT.

On completing his studies in college, the selection of an occupation became a subject of importance. His friends concurred with him that it would be best to choose one of the learned professions. His knowledge of history satisfied him that the profession of law would best promote his highest aspirations. It had taught him that in all ages, and in all countries, the legal profession had furnished the greatest number, and the ablest and most successful champions of true liberty. Their education and training, as well as the practice of their profession, especially qualified them to understand and defend the principles of human liberty. Those who most ably and successfully defended them in Greece, Rome, on the Continent, in Great Britain and in this country, were members of the legal profession. Demosthenes, Cicero, Burke, Sheridan, Fox, John Adams, Jefferson, Madison, Patrick Henry, Rutledge, Lee, Hamilton, Jay, Livingston and numerous others had been members of the legal profession. He then and always believed that the world was more indebted to that profession than to any other for the liberty that mankind enjoy. His deep democratic feelings he believed to be enlisted in the same cause. His father soon became a convert to his son's views, and it was resolved, by common consent, that he should become a lawyer.

The important question where he should learn the law was wisely decided. No bench or bar stood higher than that of New York. She had an equity system, the

broad foundations of which had been laid by that eminent jurist, statesman and patriot, Robert R. Livingston, of Columbia county, had been enlarged by Lansing and perfected by Kent. No New-England State had a court of chancery. Her common-law courts had been matured and risen to eminence, under the adjudications of a Tompkins, Woodworth, Platt, Van Ness, Thompson and Spencer. The decisions of the New York courts stood quite as high as those of any other State, and far above most of them. The bar had its Williams, Van Buren, Emmet, Talcott, Oakley, Stoors, Van Vechten, Henry, Slosson, Harrison, Livingston and many others, who added luster to the profession. The conditions of admission imposed by the courts, seven years' study, four of which might be classical, guaranteed the necessary preparation and discipline which were calculated to secure learning, intelligence and practical usefulness among the members of the bar. Their whole training was calculated to elevate them to the highest rank in society, and render them practically useful. It was among this description of men he desired a position, such as his talents, education and industry might enable him to command. The compensation for professional services in New York was equal to that of other Northern States, hence this State was selected as the one in which to read and practice law.

He commenced the study of the law at Sandy Hill, in Washington county, New York, in October of 1815, in the office of Martindale & Wait, with whom he remained about eighteen months. The senior member of this firm subsequently became a distinguished anti-democratic politician, and was elected to Congress. Mr. WRIGHT finished his studies with Skinner & Mussy, of the same place. Mr. Skinner was a brother of Governor Skinner, of Vermont. He became United States District Attorney for the northern district of New York, and, subsequently,

United States Judge in that district. He was elected State Senator in April, 1818, and held that office while District Attorney, and after his appointment as United States Judge. He was a distinguished leader in the democratic party, of great purity of character, and was highly esteemed by all who personally knew him. It is most probable that Mr. WRIGHT left the one law office for the other with reference to his political feelings. He and Judge Skinner were devoted friends. The judge, during the latter part of his four year senatorial term, was a member of the old Council of Appointment, and it was, doubtless, through him, with the aid of Mr. Van Buren, then a Senator also, that Mr. WRIGHT received his first commission as a Justice of the Peace and Surrogate of St. Lawrence county, as he often said they came unsolicited. To aid in his own support, Mr. WRIGHT taught school one or two winters while reading law. He also practiced in Magistrates' Courts. At the commencement, his natural diffidence threatened to defeat his success. Thorough preparation enabled him to overcome this painful difficulty. In his studies, he completely mastered every subject that came in his way. He sought out and investigated the principles upon which decisions were founded and the rules of law were established. When he learned a rule of law, he mastered the reasons for its adoption.

With him the law was a science, for which he could furnish approved demonstrations. Books of authority were deemed useful, but logical demonstrations were more so, and were always at command. Next to legal principles, he carefully studied the forms used in his business, and so impressed them upon his memory that he could accurately prepare papers without the aid of precedents. In system and order in the office, he was, like Washington and Jefferson, faultless. He was able to answer every question on his examination for admis-

sion. He was admitted at the January term of the Supreme Court, in 1819.


It was while he was a student in Judge Skinner's office that he became acquainted with Martin Van Buren, then Attorney-General of the State of New York. They first met at Caldwell, on a boat on Lake George, when a playful incident occurred on leaving it, often referred to by them. The Attorney-General, in attempting to frighten the law student, received an accidental baptism, bringing a laugh upon himself. They were then strangers. The next day they met in Judge Skinner's office, when the high official met him with cordiality, and invited the student to dine with him at the hotel, with Colonel Charles E. Dudley, afterward his colleague in the State and United States Senate, and several others. Then and there commenced that friendship and confidence which only ended in death. They increased with time, and became proverbially strong. The confidence between them never wavered. Mr. Van Buren was always true to his friend when living, and cherished his memory when dead, while Mr. WRIGHT sacrificed for him many opportunities of merited advancement. They lived and died confiding in each other to an unlimited extent.

CHAPTER VI.

SELECTING A PLACE TO PRACTICE LAW

The question of locality where to practice, is one of importance to a lawyer just admitted, as well as to a practitioner of experience. This is often a difficult question, and the determination of which involves the consideration of many doubtful points. If he locates in a city without a previous reputation, or influential friends to aid him in securing business, can he expect to succeed without an insufferable delay? If he is without considerable means, how can he sustain himself while waiting? If he goes to a new place, hoping to grow up with the country, how can he determine what places will grow up and furnish business of any considerable value? How long must he there devote his time and talents to patience and hope before productive business shall spring up? Questions like these were discussed between him and his father. His severe and persistent application as a student had much impaired his former robust health. It had brought upon him a headache, commencing in the forepart of the day, which continued until near night. Outdoor exercise, and particularly on horseback, was deemed the most appropriate remedy.

Considering these circumstances, it was determined that the young lawyer should personally explore western and northern New York on horseback, for the double purpose of restoring his impaired health and selecting a suitable location for practice as a lawyer. Accordingly, his father furnished him a suitable horse, and supplied him with the requisite means, and he commenced his explorations early in the summer of 1819. He visited many places in western New York which have since become the centers of population and business. Returning, he passed from



Watertown to Plattsburgh, through Canton, in St. Lawrence county. Here he met with a former neighbor from Weybridge, Captain Medad Moody, an old friend of his father's, who earnestly besought him to locate in Canton. Captain Moody was a man of excellent sense, with a very sound judgment. He had established himself there, on the bank of the Racquet river, as an inn-keeper, expecting at some future day the county buildings would be located at that place and the courts held there. He called attention to the map of the State, showing that St. Lawrence county was as large as some of the States, with not a mountain or much waste land in it—that it abounded with excellent timber and splendid waterfalls for mills, and excellent building stone, and that the soil was superior for grain and grass. He insisted that it must become a rich county and furnish at Canton ample employment for an able and honest lawyer. He offered to erect for him a commodious office, and render him all the assistance in his power, assuring him of complete success. Others joined the captain in his account of the flattering prospects for a young lawyer at Canton. The considerations thus presented were carefully weighed by Mr. WRIGHT, while many others presented themselves to his observing and reflecting mind. He became satisfied that the county buildings could not long remain at Ogdensburgh, on the St. Lawrence river, near one corner of the immense county, and that Canton was a central and natural location for them. There were no lawyers in the county nearer than ten miles, and all but two were eighteen miles distant. There were mills, factories, stores and hotels at Canton, which was a first-rate farming township ten miles square. The place must grow and his business grow with it. Time has proved the correctness of these anticipations. These and some other minor considerations induced the young lawyer to locate there. He returned home, and his father approving his location, he returned and settled at Canton in October, 1819.

CHAPTER VII.

THE YOUNG LAWYER IN CANTON.

In the fall of 1819 there rode into Canton a young man twenty-four years of age, of a muscular and robust build, neatly but plainly dressed. He wore a tall but narrow-rimmed hat, which enabled others the more fully to see his large, florid face. His complexion was dark, eyes light and hair nearly black, but thin, made so by voluntary action to counteract pain in the head. He was mainly dressed in homespun of the better kind. His manners were simple, but easy and calculated to attract attention. His conversation was plain, simple and natural, which all could understand, and he made no effort at display. Neither Greek, Latin, nor pithy quotations were heard from him, nor striking poetical expressions. All could approach him and feel at ease. His intercourse with the people induced the belief that he was gentle, kind and benevolent. The fear of contentions and law-suits, which his first entrance occasioned, were soon dissipated, and gave place to respect, admiration and attachment. The people soon became proud of the new comer. Captain Moody recounted the virtues of the father, and predicted their reappearance in the son. The citizens of that town soon gave him their unlimited confidence, and he cheerfully gave them his. They had but little law business, but what they had they unhesitatingly confided to him. He did not seek business, but it came to him. He never commenced a suit without perfectly understanding its merits and having a clear conviction that the plaintiff would succeed. He seldom tried a cause where he did not fully understand what the witnesses on both

sides would say, with full memorandums of their expected testimony. The points which each side was expected to make were carefully noted, with the authorities to which each was expected to refer. He was never taken by surprise on a trial, though his adversaries often were. The late distinguished Aaron Hackley, when opposed to him on a trial at Ogdensburgh, audibly remarked, "My God, what is that young fellow's head made of?" His skill in the examination of witnesses was proverbial and extraordinary. Even reluctant witnesses usually became impressed with the idea that he was fair and kind, divulging fully whatever they knew. Juries confided in him, almost as much as in the judges, and scarcely ever failed to place implicit confidence in his addresses to them. In no instance did he ever utter a word to them or the court, which he did not religiously believe to be true and right. Hence the confidence which they had in him. Success must nearly always follow such confidence. Mr. Van Buren expressed to him, at an early day, the opinion that he ought to remove to western New York and compete with John C. Spencer for the honors of the bar. But his diffidence concerning his own powers, and local attachments, would not permit him to do so. He loved Canton and his neighbors and St. Lawrence county too well ever to abandon his selected home. He was contented with the small income which his limited business afforded him. Instead of grasping for more business and greater gains, he seemed almost to shrink from what he had, and was contented with little. It is known that he spent as much time to induce his neighbors peacefully to adjust their controversies, as others did to secure new business. As a magistrate he not unfrequently abandoned his fees to induce the parties to make amicable settlements. On one occasion he appeared before a magistrate for one of his neighbors,

and, at his suggestion, the counsel* on the other side and the justice assenting to it, the parties were got into the latter's office, and locked in and kept there until they amicably settled. They thus became friends, and both thanked him for what he had done, while all acquainted with this new court of conciliation and its success breathed blessings upon him as a peacemaker.

Mr. WRIGHT, in his practice as a lawyer, seemed to overlook his own interests and treat them as of minor importance, but was exceedingly watchful and attentive to those of his clients. He seemed to love labor, and would not allow a student to lighten the drudgery of copying his papers. Neither in his office nor in the courts did he make a display of his classical education, or attempt to confound a listener by using technical or other special law terms. He always used plain and simple language which all could understand and appreciate. There was truth and justice in the remark made by a sensible townsman, "that he was the only lawyer he ever knew whose law was all common sense, and who always gave plain, sensible reasons for his opinions upon all subjects." In this sentence we have an ample reason for the confidence which his acquaintances reposed in him, and a key to his success as a lawyer.

While practicing law, and before entering public life, his amusements, beyond conversation with his neighbors, were few. But they were healthful and instructive. He spent much time in the forest, rifle in hand, hunting, but with limited success; though a good marksman, his skill never enabled him to carry in venison of his own killing. Much of his leisure time was spent in reading. Shakespeare was his favorite author. He considered him the best and closest observer who had ever written, and admired his descriptions of men and things. He con-

* The Author.

sidered his works a fountain of wisdom. He never tired in reading them. He read the public papers, but always with the main design of gleaning something to remember. During his service in the Senate of the United States, and particularly the latter part of it, when compelled to perform a vast amount of labor, he read lighter works to relieve the brain, by diverting his thoughts from fatiguing subjects. In this, he followed the example of many laborious men, like W. M. Meredith, of Philadelphia. Tradition informs us that, when mentally fatigued, Mr. Jefferson relieved his mind and changed the current of his thoughts by resorting to his violin. He said, the year before he died, that he had used this instrument, two hours a day, from his boyhood. Excessive mental fatigue is relieved, with many, by the gambols of children, with which Mr. WRIGHT was not blessed. The light works which he read for the relief of the mind he never attempted to remember.

In his professional reading, he was diligent in seeking and understanding the principles involved. He read law exceedingly slow, being desirous of accurately ascertaining the true theories upon which the law was based, and of so impressing them upon the mind as to recollect them in all future time and to be able promptly to apply them in practice. In reading Shakspeare for amusement, he manifested the same care in understanding what he read. But he seldom, if ever, quoted from him, or any other author. He preferred uttering his own thoughts in his own language, instead of that of another, however elegant, forcible or appropriate. He never used his voice as the vehicle of conveying other men's thoughts, however splendid or impressive.

CHAPTER VIII.

OTHER RELATIONS IN LIFE.

On settling in Canton, Mr. WRIGHT identified himself with the people, and was active in everything which concerned or interested them. The practical good sense which he manifested on all occasions, soon induced them to put him forward as a leader in almost everything. His example was copied, and all became emulous to please him. When sickness demanded watchers, he was always ready, and often walked several miles, and sometimes through storms and mud, to attend the bedside of the sick and afflicted. His care and thoughtfulness rendered him a very acceptable watcher. His presence and attention awakened hope and gave confidence, when that of others failed to do so. He encouraged the citizens of Canton in improving their highways, by accepting the position of road-master, and working, without reference to the amount of his tax, with his own hands. The consequence of this was emulation in the different road districts, which resulted in Canton having the best highways in the county. Although without musical talent, to encourage others and to secure good music in the church, he was the first who became active in establishing singing schools, and was ever a punctual attendant, and took part in the choir of the church.

He was a liberal supporter and a punctual attendant of the Presbyterian church, and, in the absence of a clergyman, read sermons, while the deacon attended to other religious duties common in churches. Being an excellent reader, it was long remarked that the printed sermons he read made the attendance at church more

interesting and profitable than at any other period. The operations of the human mind on such subjects exhibit, occasionally, some singular peculiarities. On one occasion, when he seemed to read from the printed volume, he actually read a manuscript sermon prepared by a Mr. Catlin, the hatter of the town. It was extolled as one of Dr. Spring's best productions, but when the author became known it was denounced as a trashy affair.

As an officer under the common-school system, he devoted much time and attention in furthering the interests of education. His visits at the schools were hailed with delight. During the period of his expected visits, both teachers and pupils labored for his applause. A kind and cheering word repaid both for days of unremitting labor. The complimentary expressions used by him were repeated and spread over the town with great joy by both parents and children. The latter would purposely put themselves in positions, when he was expected to pass, so as to secure an approving smile and a word of encouragement. The secret of the attachment of children to him, as well as others, was developed in after life by a young fairy miss of some eight summers, who, on being asked why she liked him, answered, "Because he always speaks so kind to me." Here was an unconscious declaration of a great philosophical principle, upon which much of the happiness of mankind depends. She still lives, is the wife of one of the first lawyers of Burlington, Vermont, and often dwells upon his memory with peculiar delight.

The accumulation of wealth, beyond what his labors naturally produced, seemed never to occupy a thought of his. He made no investments with reference to the growth of the village, or the removal of the county buildings to Canton. He never became a subscriber for stocks, anticipating a rise. Later in life, on two occasions, friends, hoping to benefit him, did so without

his knowledge or consent, whose acts, so kindly intended, his regard for them induced him not to repudiate. Mr. Corning's subscription to the stock of the Utica and Schenectady railroad turned out well, and that of Mr. Croswell to the American Land Company quite the reverse. He was never known to be laying plans to secure pecuniary gain or personal advancement. No one ever accused him of wrong or injustice. Every engagement made by him, down to those made to children, was scrupulously fulfilled. A promise, without a consideration, was as sacred with him as if made for coined gold. In settling accounts, where doubts arose, he always refused the doubtful penny, often saying he had no use for it, and that it would burn a hole in his pocket. The example of Mr. WRIGHT, upon nearly every subject, exerted a most salutary influence in his town. The desire so to act as to secure his approbation seemed to be almost universal. "What will Silas say?" was a question often asked. Contests, and other matters, which, on reflection, it was thought he would not approve, were usually abandoned. Nearly every one manifested a disposition to conform in all things to his example. It became discreditable, and then odious, to wrangle, quarrel or act meanly. Lawsuits among themselves went out of fashion. The people of Canton became noted for order, uprightness and integrity. It is due to truth to say that this was owing to the silent example of Mr. WRIGHT, and the desire of the citizens to please him. He made no effort to control, nor did he fight vice and call upon others to witness his zeal and exertions, expecting them to applaud him for it. He ruled by the purity, sincerity and integrity which controlled his own action, and all as quiet as the index hand directs the stranger on his travels upon the highway.

Through life, his dress was simple and plain, but exceedingly neat. He seemed only anxious to appear

respectably in his position. He was always cool and collected, but was quite diffident. This contributed to his wish to avoid occasions when formalities and display were the leading features, from which he seemed to shrink.

No one was more gentle or frank. His colloquial powers were of the highest order. These qualities won the hearts of all who came in contact with him. But for the formalities of many official positions he always had strong distaste, which grew upon him as life advanced, and was, doubtless, among the reasons for his rejection of the cabinet positions and foreign missions offered him on various occasions by different Presidents. He loved the simplicity of country life, and preferred the society of his neighbors to that of kings, princes and high officials, association with whom was often through a labyrinth of forms and ceremonies. This he could not endure.*

*It is due to his memory to state that, when he had been in practice some two years, his professional duties called him to Potsdam, where he met a young man in deep poverty, struggling to learn his own profession. Kind words from the landlady who kept the village inn induced him to call him in. He studied his character and capacity, and learned all about his means and hopes. Although actually reading law, he did chores for the lawyer with whom he was studying, to cover his board, and he was without friends or relatives to aid him. At the close of the interview he invited him to come to Canton and read law in his office, offering to secure him the village school to meet his expenses. He gladly accepted the invitation, and was soon with his first patron. He remained with him until he was elected to the State Senate, in the fall of 1823. The young man, at the proper time, was admitted to the bar, and became a successful practitioner. He rose, by industry and perseverance, and very early in life served two terms in Congress; was voluntarily appointed, by Mr. Van Buren, to negotiate Indian treaties; was voluntarily made Register, and then Solicitor of the Treasury by Mr. Polk; was employed as assistant in the Attorney-General's office under Mr. Pierce, and was made Solicitor for the United States in the Court of Claims, where he served three years. During nearly all this time he practiced in the higher courts in New York or Supreme Court at Washington. Until the death of Governor WRIGHT, in 1847, their friendship was without interruption. The survivor believes that he owed his deceased friend for his successes and advancements during his life. He is now attempting to pay the debt as well as he can, in preparing the present work.

CHAPTER IX.

MR. WRIGHT AND LOCAL OFFICES.

Under the old Constitution of 1777, justices of the peace and surrogates were appointed by the Governor and Council of Appointment. Mr. WRIGHT's preceptor and friend, Judge Skinner, was not only a State Senator, but was also a member of this Council, wielding an extended political influence. It was both easy and natural for him to seek opportunities to show his appreciation of the character and talents of his late student, whose noble and excellent qualities he had often mentioned with great apparent satisfaction, and to promote his interests. Mr. WRIGHT had not been long established in his profession when he received, unsolicited by him, commissions for these offices. They were both naturally connected with his profession. Both are best exercised by those who understand the law. From the time of receiving these commissions until he entered the State Senate he performed the duties of both to the entire satisfaction of every one. They were of little pecuniary value to him, neither producing fees to the amount of \$100, and the latter, probably, not one-half of that sum.

On the death of Dr. Campbell, who had long held and faithfully discharged the duties of Postmaster of Canton, Mr. WRIGHT was appointed to supply his place. He was commissioned during the administration of President Monroe, by Postmaster-General Meigs. When the vacancy occurred, at the instance of his neighbors and friends, he took such steps as are usual in such cases to procure the appointment. It was the only office which he ever held which he personally sought to obtain. In

doing so in this case he only complied with the earnest solicitations of those who did business at the office, being persons of all political parties. Its duties were performed to the satisfaction of the whole community. The income derived from it, while he held the office, was very trifling. He continued to hold it until a short time before the 4th of March, 1827, when he would become entitled to take his seat as a member of Congress.

The patriotic spirit which animated the militia during the war of 1812, and which so largely contributed to the splendor of its conclusion, had not died out in northern New York when Mr. WRIGHT settled there. In 1822, the young men of Canton, many of whom were skilled in the use of the rifle, and some of whom were practical deer-killers, desired to form themselves into a rifle company with uniforms. They unanimously invited Mr. WRIGHT to become their captain. Participating strongly in the feeling which impelled his father and brothers to volunteer for the defense of Plattsburgh, during the war, he consented and was commissioned. The company was soon raised and equipped, they adopting a green uniform as most becoming to riflemen. He took peculiar pride in drilling and maneuvering this company, which had no superior at the annual reviews. He continued in command until 1825. Other companies, consisting of cavalry, artillery, infantry and riflemen, were also raised, uniformed and equipped. These, by a general order from the Adjutant-General's office, were grouped together and formed a "Rifle Regiment," in the organization of which he was elected its major, and in 1826 colonel. He was justly proud of this regiment, and those composing it were loud in their eulogies of their colonel. A large portion of them, without distinction of party, voted for him the fall when he was first elected to Congress.

In 1827, the officers of the Forty-ninth Brigade and Twelfth Division of the Militia of New York, with great

unanimity, elected him brigadier-general. In the fall of 1828 he reviewed his brigade. By his candor, frankness and cordial manner he won the hearts of most of those composing the brigade. Many of those who differed from him, politically, became his supporters at the November election, when he was re-elected to Congress. From this time, for near twenty years, his progress was onward and upward, until treachery of professed political friends caused his defeat when nominated for re-election as Governor, to the infinite regret of nearly the entire democracy of the Union, and of many who had not acted with him politically. His sudden death, in less than a year, prevented his rising and being made the successor of President Polk, as was earnestly desired by the great body of the American people.

CHAPTER X.

NOMINATION AND CANVASS FOR THE STATE SENATE.

Under the Constitution of 1821, the State was divided into eight Senate districts. The fourth was composed of the counties of Washington, Warren, Saratoga, Montgomery, Essex, Clinton, Franklin, Hamilton and St. Lawrence. Each district was entitled to four Senators. At the session of 1823, Archibald McIntyre, of Montgomery, John Cramor, of Saratoga, Melancton Wheeler, of Washington, and David Erwin, of Franklin counties, represented the district in the Senate. A Senator to supply the place of Mr. Erwin was to be elected in November of that year. Allen R. Mooers, of Clinton, was nominated by the federal party, and Mr. WRIGHT by the democratic or republican. Out of this nomination and its incidents sprung the only imputations of bad faith ever made against the latter. He was accused of making a pledge on the subject of the electoral law and violating it.

From April 12, 1792, a statute of the State had provided for the appointment of presidential electors by the Legislature, in November, previous to casting their votes. Similar laws existed in many States. In some they were elected by the people, usually by general ticket, but some by districts, some by majority, and others by a plurality of votes. The Legislature to be elected in 1823, including the twenty-four Senators whose terms of office had not expired, would, under this law, elect presidential electors who would vote for the President for the tenth term. Some discussion was had in this State concerning changing the mode of selection from legislative appointment to an election by the people. Taking power from the few and

distributing it to the many was a popular thought, and met with few dissenters. The only question was one involving the general principle, where the power of acting should be vested. The State, by an immense majority, had just decided this very principle by abolishing the Council of Revision and Appointment, and taking from the Governor a very large proportion of his patronage and giving it to the people, making most of the offices elective. It required no profound reflection to understand that the masses of the people would approve taking from the Legislature and conferring upon the people the election of electors of President and Vice-President. The question of how they should be elected, whether by general ticket or by districts, requiring a majority or plurality to elect, had hardly been considered at all. The majority principle, in nearly all cases of election, was then almost uniformly and firmly established in all New England.

It is believed that nowhere, in making nominations for the Legislature, in the fall of 1823, were resolutions passed on the subject of an electoral law of any description, and most certainly none dictating in what manner or what should constitute an election. Had details been gone into, a great diversity of opinion would have been developed.

It had been the practice of the republicans, in the Fourth Senate district, for the nominating convention of one year to determine and declare from what county the next nomination should be made, leaving that county, if no convention should be called, to name and present a candidate the next year. The convention of 1822 had decided that in 1823 the candidate for the Senate should be selected from St. Lawrence county. A convention was accordingly called in that county, and Mr. WRIGHT was duly nominated. Although made late in the fall, information of his having been nominated was sent to every

county in the district, and duly announced in the democratic papers. This convention passed no resolutions concerning a change in the electoral law, nor did it ask or receive any pledge from its nominee on any subject whatever. At that time there was no democratic paper in St. Lawrence or Franklin counties. The Plattsburgh Republican, on the 25th of October, 1823, announced the nomination in these words :

“SENATORIAL CONVENTION.

“At a meeting of republican delegates from the different towns in the county of St. Lawrence, at Canton, on the 11th of September, 1823, Hon. Ansen Bailey, Chairman, and D. C. Judson Secretary ;

“*Resolved, unanimously*, that SILAS WRIGHT, JR., be recommended to the electors of this senatorial district as a suitable candidate to supply the place of the Hon. David Erwin in the Senate of this State.”

The friends of the federal candidate, under the supposition that there were so many candidates for the presidency—Jackson, Calhoun, Clay, Adams and Crawford—thought that there must be a very large majority against the latter. If so, they could prejudice Mr. WRIGHT by creating the belief that he was for Crawford. They, therefore, published throughout the district that he was a supporter of Mr. Crawford. Knowing that most of the voters desired to change the electoral law from legislative appointment to election by the people, they also proclaimed that Mr. WRIGHT was opposed to any change. These two assumptions were calculated to defeat him and secure the election of Gen. Mooers. The following article from the Plattsburgh Republican of the twenty-fifth of October, discloses the objects of the friends of Mooers in making these imputations, and why they were not put forth at an earlier day :

“FEDERAL MISREPRESENTATIONS OF OUR SENATOR.

“The federalists attempted to aid their Senator by misrepresenting the opinions of Mr. WRIGHT; and they resorted to this unmanly course after they thought it was too late to get a refutation of their falsehoods before the public. It, however, has arrived in time.

“The federalists, in setting up Allen R. Mooers in opposition to the fair rights of St. Lawrence, and in misrepresenting the opinions of Mr. WRIGHT, have shown a want of common honesty and of good faith to a neighboring county.

“The following letter is from the secretary* of the republican convention which nominated Mr. WRIGHT, and bears date Ogdensburgh, Oct. 25, 1823 :

“ ‘SIR.—The federal nomination of a Senator in your county, in opposition to Mr. WRIGHT, would not have called for any special notice, were it not for some unfounded assertions, or suggestions, in relation to him.

“ ‘If talents of a respectable character, integrity unimpeachable, and sound and correct republican principles, entitle a man to public confidence, Mr. WRIGHT has strong claims. That he is the supporter of Mr. Crawford is untrue. Viewing the strife between the friends of the different candidates for the presidency as resulting from a choice of men merely—not being aware at this time that any particular set of measures or course of policy is to be pursued in case of the election of one candidate which would not be by the other—he has not thought it became him, in the situation in which he is likely to be placed, to commit himself by any pledge as resulting from his individual partialities or prejudices. His friends here are satisfied with this course; indeed, with most of them, myself among the number, it is esteemed the only correct and proper course. It is perhaps due to him to say, that Mr. Crawford is not his favorite candidate; but should he ever be called upon to act in a public capacity, he will be governed exclusively by a regard to the public interests and the support of republican principles.

“ ‘On the other topic of their opposition to him, I am able to

* Hon. David C. Judson, who still lives, in 1874.

speaking decisively. He is and has been, since the subject was first agitated, the decided and open advocate of the election of electors of President by the people by general ticket. This is a settled opinion of his, which, as he this day observed to me, no circumstances could induce him to alter or to refrain from supporting.

“ ‘The nomination having been conceded to this county by the other parts of the district — it having been made at a convention of delegates in which the whole county was represented, with entire unanimity, and it being received among us with general approbation, more so than any other which could have been made, we were not aware that any exertions on our part were necessary, further than to make the nomination known.’ ”

Here we have an exact account of the whole matter by a highly honorable man, an actor in the affair, and written and published at the time. There was certainly no pledge, although there was a distinct avowal of his views and feelings. Although Mr. Crawford was not his favorite candidate, he refused to commit himself against him, but would, if called upon to act, be exclusively governed by a regard to the public interests and the support of republican principles. The correctness of this sentiment no one can question.

On the subject of the electoral law, he was and had been an open advocate of electing electors of President by the people, and by general ticket. He declared before the nomination, and on the day Mr. Judson wrote, that he was for thus electing them, and that no circumstances could induce him to alter or to refrain from supporting such a law. This declaration of fixed opinions was in no sense a “pledge.” Mr. Judson did not seek a pledge, nor was one given. His and Mr. WRIGHT’s opinions harmonized. Under such circumstances, no one needed or thought of a pledge. Mr. Judson communicated to the public a denial of the assumptions of the federalists, and strengthened it by stating facts and circumstances

personally known to him. No one acquainted with him will doubt the truth of whatever he may say, or question his intentions or ability to report accurately whatever occurred.

It will be observed that these publications were made at the time to repel the accusations, made at a late stage of the canvass by his adversaries, that he was a Crawford man and opposed to changing the electoral law. They served that purpose, and cannot be tortured into anything else.

CHAPTER XI.

MR. WRIGHT ELECTED TO THE STATE SENATE.

The vote at the election in November, 1823, clearly showed that the usual party lines were not drawn. To a casual observer, it would seem that local questions had produced their usual results. But, in fact, the different counties cast their votes principally with reference to the state of the knowledge of the voters concerning the candidates, and their supposed opinions and preferences among the aspirants to the presidency. Clinton, Essex, Franklin, Saratoga, Warren and St. Lawrence counties gave Mr. WRIGHT majorities. Washington, Hamilton and Montgomery alone gave majorities for Gen. Mooers.

St. Lawrence county gave Mr. WRIGHT 1,419 votes, and Allen R. Mooers, 20. The town of Canton, where Mr. WRIGHT resided, gave him 199, and Jason Fenton, an old democratic friend of his, residing in Madrid, 1, which was cast by Mr. WRIGHT himself. Mr. WRIGHT received every vote in his town but his own. He was declared elected by a majority of 1,316 votes.

The vote in St. Lawrence, and especially in Canton, shows the impression that the young lawyer had made upon the people. The vote in favor of his adversary did not average one to a town in his county. He was then only twenty-eight years of age, and was probably the youngest man who had then ever been elected to the Senate. This election made him, not only a Senator to participate in enacting laws, but in virtue of that office he became a member of the highest judicial court in the State, the Court for the Correction of Errors, which reviewed cases from the Supreme Court and Court of

Chancery. This constituted him a member of a tribunal in which the judges of the Supreme Court and the Chancellor sat, with many venerable and learned men as Senators. It has never been suggested by his brethren, or by the members of the bar, that he did not here perform his duty as satisfactorily as any other Senator. He did not attempt to become a leader in this court, but contented himself with listening and voting as his sense of justice dictated.

CHAPTER XII.

IN THE STATE SENATE.

The Senate convened on the first Tuesday in January, 1824, at the Capitol in Albany. Mr. WRIGHT attended, was sworn into office, and took his seat as a member. In that body were John A. King, Walter Bowne, John Lefferts and Jasper Ward, from the First District; John Hunter, John Suydam, Stephen Thorn, James Burt and William Nelson, from the Second; Edward P. Livingston, Charles E. Dudley, James Mallory and Jacob Haight, from the Third; Melancton Wheeler, John Cramer, Archibald McIntyre and SILAS WRIGHT, Jr., from the Fourth; Alvin Bronsin, Thomas Greenly, Sherman Wooster and Perley Keyes, from the Fifth; Farran Strannahan, Tilly Lynde, Isaac Ogden and Latham A. Burrows, from the Sixth; Byram Green, Jesse Clark, Jonas Earle and Jedediah Morgan from the Seventh; Heman J. Redfield, John Bowman and James McCall, from the Eighth. Erastus Root was Lieutenant-Governor and President of the Senate, and John F. Bacon, Clerk.

After Mr. Monroe's second election to the presidency, there occurred what was called the "era of good feeling." The federal party was disbanded, and certain gentlemen of that party, in the State of New York, described as "high minded," assigned, in a formal paper issued by them, as a reason for this, that they "had no longer any ground of principle to stand upon." Although federalists were, wherever there were hopes of success, nominated for office, they were not presented as federal candidates. Some other name was assumed or conferred. Nearly everybody shrunk from the old name as if it

would taint them. No federalist, as such, thought of securing the presidency, and no candidate of that party was in the field for election in 1824. None but democratic candidates were brought forward. The competitors were all distinguished democrats, who had long stood high in that party, and had occupied exalted official positions. Three of them had held the three highest offices in Mr. Monroe's administration, from about its commencement.

John Quincy Adams, Secretary of State, was a man of high talents, extensive knowledge and great experience. His personal character was without spot or blemish. He had long been recognized as a democrat, and was a favorite with a large portion of the New-England people.

William H. Crawford, Secretary of the Treasury, was no less distinguished for talents, with great acquirements and extensive experience in the affairs of the Federal Government. His character was above reproach. He had long been a leader in the democratic party, and was largely supported by democrats in the congressional caucus which nominated Mr. Monroe for his second election. He had a strong hold upon the democracy, and was looked upon as a leading candidate to fill the place of Mr. Monroe.

John C. Calhoun was Secretary of War under Mr. Monroe. He had sustained himself in Congress with great success, and had displayed high executive talent in the War Department. His private character was above suspicion. His democracy was unquestioned.

Henry Clay was a member of Congress, and for many years Speaker of the House. He possessed talents, had had long experience in government affairs, and had no superior in eloquence. His character was unstained, and he had always been a democrat. His manners were exceedingly popular. His friends were ardently attached to him.

Andrew Jackson had always been a democrat, and his private character was irreproachable. He had served in the Senate of the United States, and in high positions in Tennessee. His splendid achievement in closing the war of 1812, at New Orleans, had won the public admiration. Although not looked upon as a very prominent candidate for the presidency, still there was a wide-spread feeling in his favor, and especially among those who had served in the army, or performed duty among the militia. The elements of his future great popularity then existed, but were not concentrated or organized, except in limited localities.

From among these candidates a president was to be chosen. At the commencement, Mr. Crawford united more democratic strength than either of the others, and whose respective friends united in a common effort for his defeat. Numerous plans were devised to accomplish this purpose. Newspapers were established to support the different candidates, but all agreeing in opposing Mr. Crawford. In New York, a change in the mode of choosing electors of President and Vice-President was suggested in 1823, and public opinion soon after adopted the proposition with much unanimity. It was the common impression that such a change would defeat Mr. Crawford. Mr. Adams' friends thought they saw his success in its adoption. Little thought was bestowed by either on the question of how and by what vote the electors should be chosen. The minds of the most active anti-Crawford men were too much occupied with defeating him by the change, to consider the details of a bill to accomplish it.

Joseph C. Yates was then Governor, and in his message to the Legislature, at the opening of the session, he called attention to the general subject of a change, discussed it some, but did not specifically recommend one. He rather created the impression that he thought it best

to leave the law as it existed, at least for the present. His presentation of the subject was not calculated to concentrate opinion or accomplish any particular result. Although an excellent man, and had been a sterling judge, he manifested little talent in the organization and management of political parties. He was not calculated for a safe leader of masses of men. He vainly thought that all leading men were as pure and upright as himself, and that they would not assume to be exclusively actuated by one motive to accomplish one worthy object, when the sole purpose was to secure another and quite a different one. In the end he became the victim of his own honest credulity. He unwisely became separated from a large portion of his old real friends, while he gained no new ones from among his former adversaries.

MR. WRIGHT TO MINET JENISON.

“ALBANY, 24th January, 1824.

“MY DEAR SIR. — I have delayed writing you, that I might inform you who was Surrogate and what to do with the papers. On Thursday last, Horace Allen was appointed to that office and on that day I wrote to him. I will, however, write you again when he sends me the requisite clerk's certificate. In the meantime I will fulfill the promise made to you, and to remind you that I want to hear from home. I have nothing of interest to communicate, as nothing of an important nature has yet been done in the Legislature. The electoral law has not yet been passed, although a bill on that subject is now before the Assembly. It is all the talk and all the subject of interest here, and so much difference of opinion exists on the details of a bill, that the final passage of one is very doubtful.

“The great questions of difference are whether the election shall be had by general ticket or by districts; and again, whether a plurality or majority of votes shall elect. The great object seems, with all, to be, and ought to be, to preserve the strength of the State entire, and not have one-half of the votes for one candidate and the other half for another, and thus neutralize the

voice of this, the strongest State in the Union. I am yet for the Yankee system to choose by general ticket, and require a majority of all the votes to constitute a choice, and thus have something or nothing. Yet, what will be the result no one can tell.

“I have been well since I left home, and am as well situated and contented as I could possibly have expected to be. I saw Mr. Day here, as he will have told you, and learned from him the result of his business with the Olins. I was much pleased to see him, and spent the most pleasant evening since I have been in Albany.

“The great difficulty with me, I believe, is that I cannot yet feel large enough, as many of my colleagues here seem to enjoy their consequence particularly well, and really I think their shadows on the sidewalks in State street must seem much longer to them than in their own country towns in the woods, like ours. However, perhaps I am jealous, as I have felt much larger on the banks of the little river, after shooting a fish, than I can do in the Capitol, although I have a respectable seat there. Yet you know some of our friends predicted I should grow large enough before I returned, and so it may be.

“I have written, every week, to some person in Canton, and shall continue to do so, and, as one, I ask you to write me, and give, among other things, the report of your every-day news, as it will be interesting.

“Inform me how Parkiel comes on in collecting the tax, where is the Fish petition, etc., etc. Mr. Van Denheuvel arrived here last night most awfully canal warm, but I am sorry to inform you there is not the least possibility of our passing a law to authorize a survey. The canal fever is ebbing fast in the Legislature, and not a dollar, I venture to say, will be appropriated except that which must be devoted to the canals already begun, and a small allowance to them. Give my respects to our friends in Canton, one and all, and say I shall be pleased to hear from them.

“In great haste, your friend,

“S. WRIGHT, JR.

“MR. MINET JENISON.”

CHAPTER XIII.

ORGANIZATION AND PROCEEDINGS IN THE ASSEMBLY.

The House was organized by electing Richard Goodell, of Jefferson county, who had served with credit as a captain in the army in the war of 1812, as Speaker, over James Tallmadge, who was denominated "a people's man," though claiming to be a democrat. This secured, on the committees, a majority of democrats.

When the Governor's message was read in the House, Mr. A. C. Flagg, of Clinton county, presented a resolution, which, after a warm debate, was passed, referring the subject of changing the mode of choosing electors to a committee of nine. The committee appointed by the Speaker consisted of Messrs. Flagg, Wheaton, Mullett, Van Alstyne, Bellinger, Finch, Brown, Bowker and Ells, all of whom, except Wheaton, Mullett and Finch, were supposed to be Crawford men.

At the meeting of the committee, Mr. Wheaton offered the following resolution :

"Resolved, As the sense of this committee, that the right of choosing electors of President and Vice-President of the United States ought to be vested in the *people* of this State, by a law passed at the present session of the Legislature."

This was passed unanimously, except a negative vote by Mr. Van Alstyne.

Mr. Wheaton also offered the following :

"Resolved, That such election ought to be by general ticket."

Mr. Flagg offered an amendment in these words : "and that a majority of all the votes shall be necessary to make a choice."

This amendment was adopted, and eventually the committee reported a bill giving the power of choosing electors to the people, but requiring a majority of all the votes given to make an election.

In the House Mr. Finch offered an amendment, declaring the person having the greatest number duly elected. It was voted down by sixty-four to fifty-two. In this shape, on the 4th of February, 1824, it passed with but five dissenting votes.

A party had been some time forming, exclusively based upon the electoral law question, widely differing upon all other matters. It included the supporters of all the candidates, except Mr. Crawford. Except on this one question, their opinions were largely discordant. They even differed among themselves upon the details of the law which they thought ought to pass. Some anti-Clintonians feared that a general-ticket bill, by plurality, might give the State to Mr. Clinton. The friends of Mr. Clinton were naturally in favor of a general ticket and plurality.

After the nomination of General Jackson by a democratic convention in Pennsylvania, early in the winter of 1824, Mr. Calhoun withdrew, as a candidate for the presidency, and became a supporter of the General, and subsequently became a candidate for the Vice-Presidency, and was elected by 104 majority over all other persons voted for.

Mr. Adams' friends thought they saw in the general ticket and plurality system thirty-six votes for him.

The friends of Mr. Clay believed that the district system, through the deservedly great influence of his friends, General Peter B. Porter and others, would give their favorite the votes of western New York, and perhaps some elsewhere.

Although there was no organized party in New York in favor of General Jackson, he had eminent friends, and

among them Mr. Clinton, though not generally known and believed, who were desirous of such a change in the electoral laws as would damage the prospects of Mr. Crawford.

Under these circumstances, it is not strange that the people's party was dissatisfied with the electoral bill as it passed the House. It was seized upon by that party to excite and extend the popular feeling on the subject of changing the mode of choosing electors. The ablest pens in the State were put in requisition. But generally they discussed only the abstract question of where the power of choosing electors should be lodged, avoiding those of the details where the real difficulties lay. The House committee, with one exception, resolved unanimously that a change ought to be made at that session. Such was the common expression of nearly every member of the Legislature. The differences of opinion were few, if any, on this point. Divergencies began, on the next question, when members began to reflect and calculate their effect upon their respective favorites for the presidency; and it is not wonderful that no one was willing to take a step which would endanger the success of him whom he preferred and supported.

CHAPTER XIV.

PROCEEDINGS IN THE SENATE ON THE ELECTORAL LAW.

When the House bill came to the Senate it was referred to a select committee, of which Mr. Dudley was chairman. While it was in the hands of the committee, Mr. Ogden resorted to the unusual mode of forcing them, by resolution, to report. His resolution was supported by him, Burt, Burroughs and Cramer, and opposed by Mr. WRIGHT, Suydam, Wheeler and several others. It was indefinitely postponed by a vote of twenty to nine. The committee soon after reported. The conclusion at which they arrived is as follows :

“The committee are, therefore, of opinion, for the reasons set forth in this report, that it would not be expedient to pass the bill from the Assembly, or any other bill changing the present mode of appointing electors of President and Vice-President of the United States; or, at least, until the efforts which are now seriously making in Congress to establish a uniform rule of appointment, by an amendment of the Constitution of the United States, by which the people can elect by districts, have terminated in the adoption or rejection of such amendment by that body.”

On the tenth of March this report came up for consideration. Mr. Cramer moved to strike out this conclusion, and to insert :

“*Resolved*, That it is expedient to pass a law, *at the present session of the Legislature*, giving the people of this State the choice of electors of President and Vice-President by general ticket.”

It was moved to amend this by adding “and by a plurality of votes.” This was rejected by seventeen to

fourteen, Mr. WRIGHT voting against it. An amendment providing that the choice should be made by congressional districts was moved and voted down, he also voting in the negative. Mr. Cramer's resolution was then adopted, sixteen to fifteen, Mr. WRIGHT voting for it. He then presented his views, in the shape of an amendment, by striking out all after the word "Assembly," in the second line of the last clause of the printed report, and inserting the following :

"But they recommend the passage of a law providing for a choice by the people, by general ticket, of a number of electors of President and Vice-President of the United States, equal to the number of representatives in the Congress of the United States to which this State shall be entitled at the time of any election of electors shall be held, locating the electors, so to be chosen in the several congressional districts, in such a manner that each congressional district shall have, residing within it, a number of said electors equal to the number of members of Congress to which said district shall be entitled at the time of the election, requiring a majority of all the votes given in the State for such electors to constitute a choice ; and directing a meeting of the Legislature, at such time as shall be requisite, in any year when electors of President and Vice-President are to be chosen, to appoint two electors in the manner now provided by law, corresponding to the two Senators from this State in the Congress of the United States, and to fill any vacancies that may exist in any of the congressional districts from a failure to elect, by a majority of votes, as aforesaid. And further recommend a repeal of the present existing law providing for the appointment of the said electors, so far as the same may be inconsistent with a law containing the aforesaid provisions."

Mr. Cramer proposed a substitute to Mr. WRIGHT's amendment, the object of which was to test the main question, whether the Senate would retain or change the present electoral law. The purport of the substitute was, in general terms, that it *is* expedient to pass a bill

at the present session, giving the choice of electors to the people.

Mr. President decided that Mr. Cramer's proposition was not in order, until the other had been disposed of.

Mr. Nelson proposed to amend the amendment, by striking out all after the word "people" in the forty-seventh line, and also to strike out all that part of the report which says it is not expedient to pass the bill from the Assembly.

Mr. Nelson observed, that he should prefer to test the abstract question rather than to go into the details of any bill. If the Senate should determine to pass a law, the details of such bill would be a fit subject of consideration afterwards in the committee of the whole.

Mr. WRIGHT hoped the amendment would not prevail. It was a manifest absurdity in itself, and destroyed the plain diction of the concluding paragraph of the report. It was, perhaps, demanded of him that, in offering his proposition, he should state briefly the reasons by which he had been governed in relation to it, and the views by which he had acted in the general application of this question. He submitted the proposition, therefore, as the skeleton or outline of a principle which could afterwards be embodied into a corresponding form, and for the purpose of drawing out the opinions of the Senate, for he was entirely unprepared to say that he could vote for the repeal of the present law, unless he could know also the shape which the change would assume.

The reasons of my preference, said Mr. W., for the features of the law proposed by the amendment I have had the honor to offer, are, in the first place, because in all my reflections upon this subject I have believed that a point beyond all others to be secured, in the passage of any law, is the preservation entire of the electoral vote of this State. It is not to be overlooked that, while the State of New York possesses the heaviest voice in the

choice of a President of any State in this Union, that voice, by division, may be easily neutralized, or made only equal to that of the weakest State; and it should be particularly remembered that, while an electoral vote is thus strong, it is only commensurate with our wants and interests. Indeed, from the reasoning of the committee, it appears that our voice is much less, in proportion to our population, than that of the small States; and I cannot believe, said Mr. W., that any member of this Senate will disagree with me in the necessity of keeping that voice entire, and thus of commanding that influence, in the choice of a chief magistrate of the Union, which our interests demand and our duty to ourselves requires. This, said Mr. W., is not the only consideration which, as republicans, urges us to effect this in the passage of a law regulating the choice of our presidential electors. Were we legislating for the State of New York only; were this State alone interested in keeping our electoral vote entire, much of the importance of doing so would be lost. But, sir, every State in the Union has a deep interest upon this subject. The great body of the republican party are interested; they have the right to demand of us the exertion of our whole strength; nor can we as republicans (and such we profess and are proud to be) in justice withhold it, or pass any law which shall render probable, or even morally certain, its division and diminution.

Two distinct propositions, regulating this choice, have been considered by the committee. One by general ticket, a plurality of votes to constitute a choice, and the other a simple district bill. The first of these propositions, said Mr. W., is entirely objectionable for two important reasons. First, because a law passed upon this principle would be morally certain to divide the electoral vote of the State. We might, indeed, in theory, suppose that an election by plurality would be equally

certain, with an election by a majority of votes, to result in the choice of an entire ticket of the same political character; and so it would if every elector at the polls would vote for the same entire ticket. But the slightest experience proves they will not do so. Every voter has his preferences, and he will change and divide the respective tickets to suit those preferences and to gratify his own partialities. The electors of this great State will not, like myself and many of my honorable friends in this House, so entirely attach their feelings to either of the candidates for the presidency as to absorb their preferences for the men of their acquaintance upon the several tickets in the market. In an election under this proposition, the electors, voting for a ticket containing the names of thirty-six candidates, cannot be expected to act with a full understanding of, or acquaintance with, the persons for whom they vote, when those persons are located in the several congressional districts of the State. They will consequently compose a ticket for themselves, from the names upon each ticket, of men they approve, and thus divide entirely the electoral vote. If proof is wanted that this will be the effect, look at the respective counties of the State that elect three, four, five or more members of the other branch of this Legislature. How often do these counties divide their vote in that House? How often, in those counties, under the plurality system, do they elect part of the one political ticket and part of the other? Look at the county of Washington, with four members in that House, equally divided, and consequently with no political representation. Look also at Saratoga, with two on the one side and one on the other, and at the city and county of New York, with seven on the one side and three on the other. Are not these counties, in part or in whole, politically neutralized? Can it be expected, then, that a ticket containing the names of thirty-six electors upon one ballot would not be divided?

Can it be reasonably supposed that such a ticket, composed of persons in every part of the State, would be kept entire, and that, too, when three, four or five tickets will with certainty be run? And here, although we are passing a general law, it is impossible to discuss the question without reference to the coming presidential election. Can any man, at this time, promise himself that a less number than three will enter the lists at the time of the election? And if but three candidates are then insisted on, that number of tickets for electors must be presented in this State. And is any man so sanguine as to believe that, with this number of tickets, any one can be certainly elected? Is it credible to suppose, that while a political struggle in a single county seldom fails to produce a divided election, that division and subdivision would not exist in a ticket composed of thirty-six persons scattered over this extensive State? Would not the natural and necessary consequence be the election of some of the most popular men upon each of the several tickets, and that, too, with greater certainty when the struggle is merely a preference for men? But, said Mr. W., this supposition is far better than the fact. It is at this time impossible to predict that a less number of candidates than four will be presented at the time of the election. And what is still more objectionable in this form of law, we invite, by it, every ambitious, aspiring man to enter the lists for this high office. We invite every daring politician, who is vain enough to put his fortunes at hazard, to place himself among the lists of candidates, to get up his electoral ticket, and run his chance of electing part, if not the whole of that ticket, by the fraction of the electors of the State who may chance to prefer his elevation.

The second and insuperable objection to a general plurality law, said Mr. W., is that it empowers a small minority of the electors of the State to control its electo-

ral vote. Take the instance of three separate tickets for these presidential electors, and a mere fraction over one-third of the electors of the State can, wield this important expression ; increase the number of candidates, and you, in the same ratio, diminish the fraction that is to be represented in our electoral college. And is any member of this House willing thus to dispose of this important influence ? Is any member of this Senate willing that the thirty-six votes of New York, in the choice of a chief magistrate of this Union, should be wielded by one-fourth or one-fifth of its population ; that this important expression should be anything less than the expression of a majority of the electors of the State ? Who, sir, can assure us that some particular interest, mercantile, agricultural, manufacturing or commercial, may not unite their exertions, and by their combined efforts, under such a law, seize and control our electoral vote ? No man, sir, can give this assurance. Such combinations would be formed. Every section and contending interest would be put in requisition, and the heavy and combined interests of the State would not be represented. Thus, then, sir, we see that under this proposition the electoral vote of this important State must be divided, neutralized and destroyed, or, if kept together, that only a minority of the State can be represented.

The principles of a district bill, it is confessed, are more democratic than those of any other proposition. Under such a law, every section of the State would be equally represented ; every interest would be properly and proportionably felt ; and every elector could act understandingly, in the vote he would give. But a sufficient objection to this system is, that the time never can occur when the thirty-four congressional districts of this State will be all of one political sentiment. And it must ever be here, under such a law, that a disputed election

would be a division of our strength and a destruction of our electoral vote.

What, then, said Mr. W., would be the effect of the proposition now upon your table? Would it not necessarily be to restrict the number of candidates to two, so far as this State is concerned, or else render the prospect of an election by the people of any of the electors hopeless? And, sir, when the candidates are thus restricted, where is the difference between plurality and majority? What would be a plurality in the one case must be a majority in the other.

But if the electors of the State will not, by their votes, determine the wish of the majority, then where is that wish to be better ascertained than by the majority of their representatives in both Houses of the Legislature? Is it true, sir, that the voice of the majority of these Houses, jointly expressed, does not express the voice of a majority of the people of the State? I cannot believe that in the short period of one year (and within every such period the most numerous branch is elected) the representative forgets the will of his constituents. I cannot believe that in that period the Legislature ever ceases to express the wishes and interests of a majority of the State. And then, sir, this proposition would ascertain that majority, in case the people, by their votes, did not declare it.

Another reason for the preference of the proposition now before the Senate, said Mr. W., is that it provides for the appointment by the Legislature of the two electors corresponding to the two Senators. These electors represent the State sovereignties, carried into our electoral colleges, and consequently ought not, in strictness, to be chosen by the people. It will be recollected that the organization of our government is one of checks and balances. The Senate, composed of an equal representation from each State, are the guardians and representatives

of the State sovereignties, while the House of Representatives, the popular branch, are the immediate representatives of the people individually.

These are to act as checks upon each other, and to prevent the undue influence of either. And that these different representatives were intended to be carried into the electoral colleges in the same proportion, and with the same influences that they exert in the National Legislature, will be evident from the fact that, as is stated by the committee in their report, this representation in our electoral colleges produces an inequality between the large and small States in no other way accounted for. And, if I am right in this, there is no more propriety in giving the choice of these two electors to the people, than there would be in giving the choice of Senators to them, which is forbidden by the Constitution of the United States. And may there not, sir, be a propriety and necessity in this? Is it impossible that jealousies and differences may arise between these two branches of our National Legislature, and that these jealousies and differences may be made the important questions in the choice of a President? Is it of all things the most improbable that the sovereignties of the States may become the subject of political feeling in our electoral colleges? And should they become so, is it not only proper, but highly important that they should there be distinctly represented? And will not that representation then form exactly the same proportional check which it was to form in the organization of the government? Is it asked why this designation has not before been made? I answer, because, hitherto, all the electors of this State have been chosen by the Legislature, and, consequently, such designation has not been necessary.

It may be objected to the proposition, which I have had the honor to offer, that the provision for the meeting of the Legislature is an unnecessary increase of

expense in the appointment of our presidential electors. But it will be observed that the passage of a law upon the principles contained in that provision will not increase the expense attendant upon the present mode of appointment. The election, being held at the time of holding the annual State elections, costs nothing, and the meeting of the Legislature, under that, will cost no more than under the present law ; therefore, while it will not be a saving, it will not be an increase of expense.

The law proposed by this proposition is further to be preferred, as being the only one which the time allowed by the law of Congress for making the election will permit to be carried into effect. It will be recollected that the electors are by that law required to meet on a day certain, and give their votes, which must be not more than thirty-four days from their election or appointment. This renders it extremely difficult to hold an election in a State as extensive as ours, to procure a return and canvass of the votes, to notify the electors, selected as they must be in almost every county in the State, and to give them time to assemble within the short period of thirty-four days. The law proposed in the amendment upon your table might, in some degree, relieve this difficulty, by directing the meeting of the Legislature at as early a period after the election as possible, and making it the duty of some member of the Legislature from each county to be the bearer of the votes of his county to the office of the Secretary of State, where they are to be canvassed. It will be found that the engrossed bill from the Assembly is in this particular palpably defective. The bill requires the clerks of the respective counties to mail the certificate of canvass of their counties on Thursday of the week ; that if these certificates do not reach the Secretary of State by the Monday following, he shall send special messengers to the respective counties for the same, and that, on the Monday following, the State Canvassers shall

proceed to canvass such of the votes as may have been received, and from such canvass to pronounce the choice ; thus only allowing four days for the votes to come from the extremes of the State, only seven days to send a special messenger to any part of the State and for that messenger's return, and only eleven days from the time the clerks of the counties are bound to make their certificates until the canvass of the votes in this city. This provision, said Mr. W., is too palpably absurd to need comment, and the consequences of holding an election under this law must be, that the votes from the remote counties in this State would not be received or taken into the canvass. It should also be recollected that, if the members of the Legislature are required to bring the votes of their respective counties, it will save an expense of special messengers nearly equal to that of the members of the Legislature to and from the place of meeting.

These, sir, are some of the reasons which have inclined me to prefer the proposition now upon your table to any which I have yet heard, or which I have myself been able to devise.

I am free to subscribe to much of the reasoning of the committee in their report. I believe the objections they have made to the various systems they have examined well taken. But I cannot think they have derived the correct conclusion from that reasoning. It is, I believe, sir, a fixed principle in free governments, that the people should themselves exercise every right which can be as safely exercised by them as by delegates by them appointed. And I must think, under the provision of the proposition now before the Senate, the great body of the electors of this State may as safely choose their electors of President and Vice-President as to delegate their appointment to their representatives in the State Legislature, and if as safely, then much more properly.

I have now, sir, offered every reason for submitting the

proposition upon your table, and for my preference to it ; and I must add, that I believe the present existing law far preferable to any system which shall be calculated to divide the electoral vote of the State. In this, sir, I know the Senate will agree with me ; and I most sincerely hope, however any gentleman may differ from me in the provisions of a law to accomplish this object, that we shall proceed calmly and frankly to discuss a subject of this deep interest and importance.

Much, sir, said Mr. W., has been said on the subject of our responsibility to our constituents. I am not unmindful of that responsibility. I am aware that every member of this House rests under the same responsibility, and must account to his constituents for the course he shall pursue in relation to the bill. But, sir, I protest against acting under that popular enthusiasm which it has been the object of designing individuals to excite. I disclaim all connection with frenzy which would cut to pieces and destroy the electoral vote of the State of New York to gratify what is falsely called the wish of the people. I too well know my constituents, sir, to believe they would justify me in promoting the passage of any law which should fritter away the voice of this State in the choice of a President of this Union. No, sir, they would sooner retain the present law unaltered ; nor can I consent to vote for any law which shall have this effect.

After ample discussion a vote was taken upon Mr. WRIGHT's proposed amendment, which found little favor in the Senate. It received only three votes besides his own, to wit, Bronson, Mallory and Stranahan.

Mr. Bronson, who was a Clay man, says he voted for the proposition in order to have New York present an undivided front, and command her rightful influence, commensurate with her population, in the election of President and Vice-President. Others may have given their votes to secure like results.

The vote on the amendment proposed by Mr. Redfield, to elect by congressional districts, was as follows :

Ayes—Burt, Cramer, Earll, Gardiner, Greenby, Morgan, Ogden, Redfield, Thorn, Wheeler—10.

Nays—Bowman, Bowne, Bronson, Burroughs, Clark, Dudley, Green, Haight, Keyes, Lefferts, Livingston, Lynde, Mallory, McCall, McIntyre, Nelson, Stranahan, Suydam, Ware, Wooster, WRIGHT—21.

These various votes were given after full discussion and ample deliberation. There was no other mode of electing proposed, or, apparently, thought of. After so much discussion, considering the extent and intensity of the excitement in and out of the Senate, there was no expectation, or even hope, that these votes could be changed, or any new proposition presented or adopted. Harsh words, crimination and recrimination, and impeachment of motives had accomplished their usual results. Under such circumstances, men seldom, if ever, change their positions, or lend a willing ear to the rebukes, or even persuasions, of their adversaries. All hope of carrying either of the rejected propositions had disappeared. No one manifested a disposition to yield his views, as shown by his vote, to favor the change proposed by others. Each had become fixed in his opinions, like contestants in a battle, who honestly believing themselves right, become more intensified the longer and fiercer it rages. To yield at all under such circumstances would create a suspicion of weakness or bad faith. No one expected another to retrace his steps, to take a new departure. Everything pointing to such a result was hopeless.

It was when matters thus presented themselves that Mr. Ogden moved to commit the bill and report to the committee of the whole. Mr. Livingston thereupon moved to postpone the further consideration of the report and bill to the first Monday of November, prior to which the existing law required the Legislature to

appoint electors. Before taking a vote on this motion, Mr. WRIGHT addressed the Senate on the subject, and his remarks are thus reported in the Albany Argus :

“Mr. WRIGHT said he had had the honor of offering a proposition giving to the people the choice of *electors, by general ticket, and by a majority of votes*, which he had supposed the only safe system to be adopted. He had, however, been unfortunate enough not to be able to induce but three members of the Senate to think with him, after all the reasons he could offer in favor of the proposition. A proposition had then been made to make the choice by *districts*, which, after being fully and ably discussed, received but two votes. And now, said Mr. W., we have rejected the proposition to choose by *general ticket and plurality of votes*. Divisions have been taken upon all these propositions, and the name of every member of the House stands recorded upon our journals, with his vote on each proposition distinctly given. These, Mr. W. said, were all the propositions he had heard suggested, nor had he ingenuity enough to suggest or devise a fourth. He, therefore, despaired of even a hope that the Senate could agree upon a law, as he did not believe that members trifled with their votes upon this important subject, or were prepared to change their names as they already stood upon the journals. These being his views, Mr. W. said he should vote for the postponement, unless he could hear some reasons to convince him that his conclusions were not correct. The resolution (Mr. Cramer's) just taken could not be made effective, as both the majority and plurality systems, by one of which alone it could be made so, had been deliberately rejected, and he saw no good reason for spending more time on the subject.”

A vote was thereupon taken on the postponement, which resulted as follows :

Ayes—Messrs. Bowman, Bowne, Bronson, Dudley, Earll, Greenby, Keyes, Lefferts, Livingston, Mallory, McCall, Redfield, Stranahan, Suydam, Ware, Wooster, WRIGHT—17.

Nays—Messrs. Burrows, Burt, Clark, Cramer, Gardiner, Green, Haight, Lynde, McIntyre, Morgan, Nelson, Ogden, Thorn, Wheeler—14.

CHAPTER XV.

THE CLAMOR ABOUT THE POSTPONEMENT OF THE ELECTORAL VOTE

The disposition made of the subject intensified the excitement concerning the electoral law, and tended to strengthen the new party. The charge of forfeited pledges resounded through the State. The seventeen senators who voted for the postponement were denounced as "infamous," and their names were printed in the papers of the "People's party," in broad, black letters, and those of Messrs. WRIGHT and Mallory, who had voted for the general proposition of Mr. Cramer in favor of passing, at that session, a law giving the people the choice of electors by general ticket, in very large black letters. Handbills, thus printed, were conspicuously placed in lawyers' offices, taverns, stores, groceries and other places.

Mr. WRIGHT was singled out as a special object of attack. He was hung, and often burnt in effigy; and at Ogdensburgh he was hung and burned by the side of the village liberty-pole, on the banks of the Oswegatchie. It was claimed by his adversaries that he cheated the voters in making a pledge to secure his election, and had infamously violated it. In the vocabulary of hard epithets, there was scarcely one that was not applied to him. But it has been shown, and will be hereafter conclusively proved, that he made no pledge. If one had been given, as assumed, he gave no vote in violation of it. All who conversed with him understood that he was unchangeably in favor of a change by a general ticket. To this he adhered to the last. The congressional district system

commanded but two votes, in a Senate consisting of thirty-two members. He had never said or intimated that he would favor a general ticket with a plurality. No one pretended to have ever conversed with him on that subject. Nor has any person claimed to have spoken with him whether he was in favor of electing by majority or plurality. This was left an open question, and, as such, he had the same right to decide it for himself, in favor of requiring a majority, as others had in favor of a plurality.

It is not known, or believed, that one member of the Legislature entered the Capitol publicly committed on that subject. The people's party had no plank on this subject in their platform. Every member had the power to act as he chose concerning it, and was free to do so, untrammelled by party usages or resolves. Why should Mr. WRIGHT be called upon to change his views, and leave Mr. Cramer and others to enjoy and carry out theirs? They were all sworn to perform their duties according to the best of their ability. His motives were as much entitled to respect as theirs. It is undeniable—nay, it is conceded now—that the object of the Adams, Clay, Jackson and Clinton men was to change a law of long standing, to increase the chances of their favorites for the presidency, and diminish those of Mr. Crawford, who, a few days before, had been nominated by a congressional caucus for the presidency. They wished to make a change to injure the competitor of their friends. They sought to deprive him of the advantage he had under the existing law, and to make a new one to accomplish that purpose. Making laws to confer special favors upon others has never been recognized as an American principle. If, as the law then stood, Mr. Crawford had an advantage, upon what principle of morals could his competitors claim the right to legislate him out of it? The Legislature had been elected to perform certain duties under the old law. They were by it required, on a cer-

tain day, to choose electors. The majority of them were democrats, and it was the general expectation that they would conform to the usages of that party, and choose electors favorable to its candidate, who should be presented in the usual way.

All the candidates but one, although claiming to be democrats, declined to submit their pretensions to the tribunal that had selected and presented Jefferson, Madison and Monroe, twice each, for the suffrages of the people, as democrats. The friends of these candidates denounced Mr. Crawford, who had been selected in the usual way, and confessedly a democrat of high character, and demanded that his friends should participate in making a law to legislate his prospects and hopes away; and denounced them with great bitterness because they would not consent to do so. Their right to demand Mr. Crawford's friends should yield the point was no greater than that of his friends to require them to yield. Neither had the least possible right to insist upon such a claim. If Mr. Crawford's adversaries had changed places with his friends, would they have yielded it to him? As his opponents, if they possessed the vantage ground would they have yielded it to him?

Why the young, quiet, inoffensive Mr. WRIGHT should be selected as the target for the shafts of the adversaries of Mr. Crawford can only be accounted for upon the ground that falsehood and calumny had secretly done their detestable work and could continue to be more successfully employed against him than older men more extensively known. He and his friends had the same right to claim that he was honest and sincere, in what he said and did, that they and others had. His record was without spot or blemish, and his character, in all respects, above reproach. Whether he was wise in his course is not the question. Was he honest and sincere? Did he violate a pledge? Nearly all of those who then most loudly

denounced him as dishonest, insincere and a violater of pledges, have since discovered their error and have given him their hearty support for higher positions. Mr. Hammond, in the last volume of his Political History of New York, withdrew the charges made in his second volume, as having been founded upon erroneous information, and this relieves him from the odium formerly heaped upon him. In this volume, at page 50, he says :

“It now affords us sincere pleasure to say, that we are convinced that we had formed an erroneous opinion of him, and that instead of being addicted to plot and contrivance he was frank and sincere ; and although we earnestly wish, that on the subject of the electoral law, and in the attempt to choose, or rather the effort to avoid choosing, a Senator of the United States, his conduct had been different, we are entirely satisfied his motives were pure and honorable. Our reasons for arriving at this conclusion are these : Mr. WRIGHT honestly and sincerely believed, whether erroneously or rightly is not now a subject of inquiry, that the ascendancy of the democratic party in this State and nation would best secure the liberties and promote the prosperity of the people. Hence, he regarded as a dereliction of duty any consent to support men, or measures, the consequence of which he had reason to apprehend would produce the overthrow, or cause a diminution of that party.”

Mr. Hammond refers to the evidence on which he changed his opinion concerning Mr. WRIGHT. It consisted mostly of confidential letters addressed to the late Judge Fine, of St. Lawrence county, by Mr. WRIGHT; of these he says :

“These letters afford internal evidence that the sentiments they contain were directly from the heart, and evince such an entire devotedness to the cause in which he was engaged, so total an absence of all selfish considerations, and such perfect disinterestedness, and at the same time so much frankness, candor and liberality, even toward political opponents, that we cannot for one moment believe that, on the occasion to which we have

alluded, he was influenced by any other motive than a desire to sustain and promote the great and paramount interests of the State and nation. His error, as a public man, if it be an error, in our judgment, arose from his uniform devotion to the great interests of the party to which he belonged, on whose ascendancy, we have heretofore stated, he sincerely believed depended the prosperity of his country."

He then indorses this remark of Governor Seymour :

"Mr. WRIGHT was a great man, an honest man ; if he committed errors, they were induced by his devotion to his party. He was not selfish ; to him his party was everything — himself nothing."

Mr. WRIGHT fully believed, and acted on that belief, that if the State and Federal governments were not administered upon purely democratic principles, which would restrain the action of those administering them within the clear boundaries of their Constitutions, both would ultimately fail in accomplishing the objects for which they were created. He often avowed this belief, which was the pole-star of his life. Fidelity to it ever governed all his actions. The ascendancy of the democratic party was the object of incessant labor. His own interests were ever made to yield to it, as will be hereafter shown, on many occasions.

The following letters to his trusted friend, Minet Jenison, clearly and truthfully show the motives which actuated him on the subject of the electoral law :

MR. WRIGHT TO MINET JENISON.

"ALBANY, 12th Feby., 1824.

"DEAR SIR.—I received last night, by mail, a letter from Mr. Joseph Barnes, inclosing the within draft in favor of Andrew C. Barton, which, I suppose, is intended to pay, so far, the judgment of Fisher against him. I have written a receipt on the back of the draft, which, if Barton will sign, you may give him the Langdon note, unless you know some good reason why it

should not be given up. I wish you to see Boynton sign the receipt, and then deliver the note to him or his order. I expect Mr. Barnes is to have it, but the draft will not authorize me to deliver the note to Barnes unless Barton directs it. If you have received the money on the note before you get this, it will be the same thing as the note, and need the same disposition.

"I have nothing new to write, nor do I hear from you. Where is the letter I was to receive from you, Lem. and Day? Mr. Day lost one of his sons while here, I have learned, but which one I have not heard. How come you on with county meetings and the People's business? I have heard that rather a farcical meeting was held at Canton lately. Tell our democrats to look out, and not let these new-fashioned republicans get too much the start of them. They may depend upon it, Clinton is the meaning of all this. The electoral law has not yet been acted upon, but will before long, probably. In the meantime, my friends must not get suspicious of Winslow and myself until we act, and then, if we do not act right, it will be their duty to tell us of it. But if, in acting, we should not please the restless Clintonians and old federalists, even, of our own county, I should not myself be willing to take that as an evidence that we had acted wrong. But really, my friend, I do not find that being a grave Senator makes much difference with old Silas. As near as I am able to calculate, he is about the same thing yet,—gets mad, and scolds and *swears* (I must say it, for it is true) about as easy as usual, and mixes about the same quantity of laugh with it. Remember me particularly to my friends there, and break out in a letter forthwith. I will, through you, now promise a letter to old Lem. and Jose Barnes.

"Yours till death,

"S. WRIGHT, JR.

"To Mr. M. JENISON."

"ALBANY, 11th March, 1824.

"MY DEAR SIR.—Yesterday the Senate again committed one of those aristocratical acts which have so often characterized that body. The electoral law was again brought up on Monday morning and occupied that House until three o'clock on Wednesday,

when it was postponed until the first Monday of November next. The first proposition was offered by me, that the electors should be chosen by general ticket and by a majority of votes, recurring to the Legislature in case no choice was made. This was debated until three o'clock Monday afternoon, and voted down 27 to 4. On Tuesday morning another proposition to elect by districts was made, and occupied all that day and the next day till noon, when it was voted down 21 to 10. Then another proposition to elect by general ticket and plurality of votes was made, and after much debate was also voted down 18 to 13. These being all the modes that could possibly be suggested, and all lost by considerable majorities, a motion was made to postpone the subject to the first Monday of November next, which was carried 17 to 14. I am aware this result will make much noise, and I presume will excite much hard feeling against me; but I have done all in my power to procure what I believed would be a safe law, and not being able to effect it, I voted to postpone the subject. The truth is, Mr. Clinton and his friends are the most clamorous here for the alteration of the law, and have no doubt, if the law had been so altered as to let a plurality elect, he would now have been nominated as the federal candidate for president, and violently supported in this State by all his old political friends. I have acted on this subject as I believed was for the best interests of the *democratic* party of this State, and by that party it will be determined whether I have acted rightly, and by that determination I am willing to be judged. I want to hear from your town meeting, and expected a letter to-day. I hope the feeling with which you wrote is allayed by a successful issue of that meeting, but I hope with fear. I shall be with you, I think, in a month. Remember me to all my friends, and when you hear the political curses which will probably fall upon me, laugh, and say they are the pay I deserve for putting myself out of my business. Look at The Argus and you will see the report of the proceedings.

“In great haste,

“S. WRIGHT, JR.

“Mr. MINET JENISON.”

CHAPTER XVI.

FAILURE OF THE ATTEMPT TO CENSURE MR. WRIGHT FOR
NOT OPPOSING MR. CRAWFORD.

A feeble attempt was made to censure Mr. WRIGHT for not opposing Mr. Crawford. Those making it soon saw that persisting in it would damage themselves. The facts, upon which, alone, it could be based and proved, necessarily showed that the course of those differing with him was dictated, not by a controlling desire to give the people the choice of the electors, but their acts were designed to destroy the prospects of Mr. Crawford and promote those of his rivals. The attempted censure was not long persisted in. Although it had been announced at the time of his nomination, as stated by Mr. Judson elsewhere, that Mr. Crawford was not his favorite candidate, he had stated that it did not become him to "commit himself by any pledges resulting from his own individual partialities or prejudices;" "but should he ever be called upon to act in a public capacity, he would be governed exclusively by a regard to the public interests and the support of republican principles." Nothing could be more frank or less selfish. From these avowals it is quite clear that he intended not to act exclusively upon his personal opinions and wishes, but to harmonize and act with his political friends in the support of democratic principles. His accusers acted upon a similar principle. They did so with reference to sustaining their respective political friends, and to support the principles which actuated them. In one thing they did not conform to the principle which controlled the action of Mr. WRIGHT. He was ready, and did sacrifice his personal preferences

when it was postponed until the first Monday of November next. The first proposition was offered by me, that the electors should be chosen by general ticket and by a majority of votes, recurring to the Legislature in case no choice was made. This was debated until three o'clock Monday afternoon, and voted down 27 to 4. On Tuesday morning another proposition to elect by districts was made, and occupied all that day and the next day till noon, when it was voted down 21 to 10. Then another proposition to elect by general ticket and plurality of votes was made, and after much debate was also voted down 18 to 13. These being all the modes that could possibly be suggested, and all lost by considerable majorities, a motion was made to postpone the subject to the first Monday of November next, which was carried 17 to 14. I am aware this result will make much noise, and I presume will excite much hard feeling against me; but I have done all in my power to procure what I believed would be a safe law, and not being able to effect it, I voted to postpone the subject. The truth is, Mr. Clinton and his friends are the most clamorous here for the alteration of the law, and have no doubt, if the law had been so altered as to let a plurality elect, he would now have been nominated as the federal candidate for president, and violently supported in this State by all his old political friends. I have acted on this subject as I believed was for the best interests of the *democratic* party of this State, and by that party it will be determined whether I have acted rightly, and by that determination I am willing to be judged. I want to hear from your town meeting, and expected a letter to-day. I hope the feeling with which you wrote is allayed by a successful issue of that meeting, but I hope with fear. I shall be with you, I think, in a month. Remember me to all my friends, and when you hear the political curses which will probably fall upon me, laugh, and say they are the pay I deserve for putting myself out of my business. Look at The Argus and you will see the report of the proceedings.

“In great haste,

“S. WRIGHT, JR.

“MR. MINET JENISON.”

MR. WRIGHT TO MINET JENISON.

"ALBANY, 2d April, 1824.

"MY DEAR SIR.—I can write you but one word. Your letter has just come to hand, and the friendship you manifest gives me trouble. Not because I do not value it, but because the noise that is made in your neighborhood on my account gives you more trouble than it does me. I have not time to explain on the subject of the electoral law. Suffice it to say, I am satisfied with my course, and can look any man in the face who blames me, with a knowledge of the facts, and tell him he is *not honest*. That his blame is cast where his *conscience* tells him it is not *deserved*, and that the clamor he creates is selfish, corrupt and wicked in its intent. I am sick of politics. Not because I have been abused by those whose abuse alone could compliment me, but because I have found no honesty in any party that pleases me. Yet I must tell you I have found some ten or twelve honest men who are democrats to the bone, but who will not sell their birthright, and we have quarreled with all parties and now stand firm and undaunted on the brink of ruin, ready to sink, if fortune so determines, but not to say we have forfeited our faith and conscience to serve this man or that. My time is gone. Tell the St. Lawrence 'People' that I am ready, when the *democracy* of the county or the 4th Senate district ask it, to lay my honors at their feet and thank them for the use, and retire with all the content I entered on their business. This is truth, and when I get home I will do it, under that condition, with more joy than I shall again return to this city. But enough, I shall see you by the 20th, and in the meantime

"I remain your friend, &c.,

"S. WRIGHT, JR.

"MR. MINET JENISON."

CHAPTER XVII.

CONGRESSIONAL CAUCUS IN 1824.

For a long series of years, the democratic members of Congress, at the session before a presidential election, had held a caucus to nominate candidates to be supported by the party. At these gatherings, the merits and prospects of presidential aspirants were publicly considered and more or less discussed, and the concentrated action given to the world. This mode of selecting and presenting candidates had been common in State Legislatures, both with reference to presidential candidates, and those to be supported for State offices, affecting a whole State. Tennessee and Pennsylvania had thus presented the name of General Jackson. The opponents of Mr. Crawford, in Congress, refused to go into caucus and submit their claims to its determination. Each candidate feared that the friends of Mr. Crawford might form a combination with those of some other candidate and thus strengthen him and thereby weaken himself. If there should be no caucus no such purpose could be accomplished. The refusal to go into caucus, according to the usages of the party, was considered by the friends of Mr. Crawford as an act of bad faith. They, however, vainly hoped that refractory members enough would attend to make a majority if a meeting should be called. A notice was issued, calling one at the Capitol on the 14th of February, 1824. There were then 262 Senators and Members in Congress. Of these, sixty-six attended the meeting. Benjamin Ruggles, a Senator from Ohio, was chairman, and Ela Collins, of New York, secretary. William H. Crawford was unanimously nominated for President and

Albert Gallatin for Vice-President. Mr. WRIGHT felt bound by this nomination, thus made in conformity with the usages of the democratic party. He believed it his duty to conform to the action of his political friends, taken in the ordinary way. Whatever his personal preferences might be, he deemed it right to surrender and bury them, and sustain the nomination of his party, whether wisely or unwisely made. He did not attempt to set up his individual opinion against those of his friends, who, in the usual way, had presented candidates and had invited the democratic party to support them. From this time he was considered a supporter of Mr. Crawford, and went with the friends of that gentleman when their measures did not conflict with the views he had so often and frankly avowed on the electoral law.

The friends of Mr. Crawford insisted that the friends of his competitors had manifested great unfairness, in refusing to conform to the usages of the democratic party to which they claimed to belong, by declining to go into caucus and submit the pretensions of all the candidates to the friends of all, and to allow them to select a common standard bearer for the whole party. A candidate thus selected would be sure to be elected, as the old federal party had lost its organization and had been disbanded. The Crawford men claimed that they were acting strictly within the recognized usages of the democratic party, and that their opponents were setting them at defiance, breaking up its organization and endangering its ascendancy. They insisted that those who would not adhere to its usages were not, at heart, true democrats, and that those who sought to deprive, by legislation, a democratic candidate of the advantages which existing laws gave him, and to confer them upon those who refused to be bound by the time-honored usages of the party, had no claims upon them for assistance. They said that those who thus set the usages of the party at defiance had no

claims upon them for help or forbearance, and that, to a considerable extent, they were leagued with and were acting in subserviency with the old federalists. The times were thus made vocal with crimination and recrimination. During all this time the people's party, as they called themselves in New York, was increasing in numbers, without openly avowing any preference for any one of the presidential aspirants, but were open in their hostility to Mr. Crawford, although they professed to be, in fact, democrats in principle. They insisted that their controversy was exclusively concerning choosing electors. The sequel will show otherwise, or that their purposes were changed, as those of political men sometimes are.

CHAPTER XVIII.

REMOVAL OF DE WITT CLINTON AS CANAL COMMISSIONER.

Prior to this removal, the two political parties in the State were respectively christened, by their adversaries, as "Bucktails" and "Clintonians," the former from a badge worn by the members of the Tammany Society in their caps, and the latter for their support of Mr. Clinton. Matters connected with the formation of the new Constitution, in 1821, had lowered the ascendancy of Mr. Clinton's star, and resulted in the election of Governor Yates, in 1822, without opposition. But he still had numerous and powerful friends, who stood ready to serve him. Most of these hoped that a law choosing electors by general ticket and plurality would be passed, under which he might, amid the numerous candidates, secure a plurality of votes. Although these would not elect him, they would indicate his standing and influence in the State, and might lead to important and significant consequences. His friends were bitterly opposed to Mr. Crawford, and acted in concert with those of his competitors. Mr. Crawford's friends charged them with forming a coalition with the people's party to defeat him. They sought to make them openly support Mr. Clinton, or to cause a breach between them and his friends. In the former event it was expected to induce those Bucktails who were opposing Mr. Crawford to leave the people's party and join the friends of the latter, which would materially improve his prospects. If it produced a division between the Clintonians and people's party, the same object would be accomplished. The plan was plausible, being based upon the principle of

divide and conquer. The division might be so extensive as to fully accomplish the desired result. It might be the means of defeating the enemies of Mr. Crawford, and giving him the thirty-six electoral votes of the State. The means of accomplishing this purpose was to remove Mr. Clinton from the office of Canal Commissioner, on political grounds, as Mr. Van Buren had been removed from the office of Attorney-General, and as numerous other officers, high and low, had been removed by Mr. Clinton and his friends. The principle of action was not new, but had been long practiced upon in both the State and Federal governments. It has since been, and now is, practiced daily by both. On the last day of the session, a resolution was offered in the Senate, by Mr. Bowman, to remove Mr. Clinton from the office of Canal Commissioner. The vote was immediately taken, without debate, and the question carried by the following vote:

Ayes—Bowman, Bowne, Bronson, Burt, Dudley, Earll, Green, Greenly, Haight, Keyes, Livingston, Mallory, McCall, Redfield, Stranahan, Thorn, Ward, Wheeler, Wooster, WRIGHT—20.

Nays—Cramer, McIntyre, Morgan—3.

In the Assembly it was concurred in by a vote of sixty-four to thirty-four,—Messrs. Wheaton, Tallmadge and others of the people's party voting in the affirmative.

Notwithstanding the promising appearances of this movement, it failed to accomplish the purpose designed, to any considerable extent. It introduced a new element into the political complications in the State, which had been an enigma which few understood, and especially those residing at a distance. Out of this a new and popular side-issue was adroitly framed, which was managed with dexterity and skill. On the trial it was made to swallow up all others presented by Mr. Crawford's friends, however clear they might be in his

favor. While it served to kill off some of the people's party who voted for the resolution, it enabled Mr. Clinton's friends to raise the cry of persecution. They insisted that he was a martyr, struck down by political bludgeons in the hands of wicked men. They claimed that he had been fiendishly pursued, when he was gratuitously serving the State in the completion of the great works of internal improvement, of which his friends insisted he was the father. He was nominated and elected Governor by an immense majority, thus proving that his friends and the people's party had coalesced, as the friends of Mr. Crawford had charged.

The friends of Mr. Clinton denounced Mr. WRIGHT for voting for his removal, and declared that it could neither be justified nor palliated. They seemed to forget that it was made distinctly upon political grounds, and upon a principle that Mr. Clinton had often acted upon, and which they had justified. This principle is as old and wide-spread as political parties. Abraham Van Vechten and Thomas Addis Emmett, as well as Martin Van Buren, had been removed from the office of Attorney-General. Rutgers Van Rensselaer and John Van Ness Yates had been displaced as Secretaries of State. A host of others had been removed in the same way. No party has ever existed, in this country, which has not displaced adversaries and appointed friends. Those who removed Mr. Clinton believed that he was their political adversary. The event proved that such belief was well founded. He harmonized with their enemies, and became their standard bearer. It was well known that the removal was not made at all on personal grounds. No imputations were made upon him personally, and the removal did not imply any. It was evidence of but one thing — that, as political men, those who removed him deemed him a political enemy, whom they ought to remove purely upon political grounds, which would do him no injury as a

citizen. It was doing by him as he had done by others, and as he would do by them if he had the power. His friends claimed that his public services had been so great that he should be exempt from the application which applied to other party men, which his adversaries denied. They claimed that among political men the same rule should apply to all, and that his personal merit, however great, should not create an exception in his favor. They affirmed that they were not bound to search out the evidence of an officer's services and determine the extent of services which should create the exception, and that this had never been done by any party, but that the issue was not personal, but merely political, and had ever been so in such cases. Such were the grounds upon which Mr. WRIGHT acted, and justified what he did. He went with his political friends, whose wisdom, experience and patriotism he respected, although the result proved that they had not accurately calculated the consequence of their acts, at least to a great extent. That he acted from honest motives, with the intention of promoting the success of democratic principles, is now almost universally admitted. No selfish motive entered into the act, as is clear from the fact that in no way could he derive any personal advantage from it.

Mr. Hammond, in his History, says: "In the Assembly, as well as in the Senate, nearly all the members belonging to the people's party, who were supporters of Mr. Adams, voted for the resolution, while some of the Crawford men voted against it." The motives of the Adams men in this vote are not disclosed. It is probable that the dissenting Crawford men deemed the measure unwise and impolitic.

On returning home, Mr. WRIGHT found many of those who promoted his election dissatisfied. But nearly all the democracy approved his acts. In time the entire democratic party and many others gave him their confidence

and became his admirers and supporters. Even many of the leaders and most ardent of the people's party became his friends, and defended and justified his course upon the grounds above suggested. His vote for Governor is confirmatory evidence of the correctness of these conclusions. His honor, and the uprightness of his intentions, his frankness and sincerity, were then proverbial. On these subjects he was then, as his memory to this day is, cherished and made a common standard of comparison. To say of a man that he is "as honest, upright, frank and sincere as SILAS WRIGHT," is deemed the strongest affirmation that can be made in his favor.

CHAPTER XIX.

LEGISLATIVE CAUCUS, NOMINATION FOR GOVERNOR AND
LIEUTENANT-GOVERNOR.

On the 3d of April, 1824, a legislative caucus was held to nominate candidates for Governor and Lieutenant-Governor. Gov. Yates and Col. Samuel Young were the leading candidates. Mr. WRIGHT took ground in favor of the renomination of Gov. Yates. He and Mr. Flagg insisted that if he had erred, it was through the advice of the party to which he belonged, and that he ought not to be sacrificed for acting with his party. On the other hand, Col. Young was a favorite of the people's party, and they had concerted measures for his nomination, and for a new paper in Albany to support him. Caucuses were held on the subject, at which Messrs. Cramer, Wheaton and Monell attended. At one of these, it was finally resolved to call a State convention of delegates to nominate him. But this, though suspected, was not known at the time of this legislative caucus, and Col. Young was nominated by a small majority. The chagrin of Gov. Yates at his defeat was exceedingly great, and is supposed to have induced him to take the course he subsequently pursued during the residue of his official term.

The legislative caucus of the people's party resulted in calling a State convention of delegates, on the 21st of September, at Utica, to make nominations for Governor and Lieutenant-Governor.

Gov. Yates was induced to issue a proclamation on the second of June, convening the Legislature on the second of August, under this clause in the State Constitution, "The Governor shall have power to convene the Legisla-

ture on extraordinary occasions." He stated, in his proclamation, that Congress had made no provision for changing the mode of selecting the electors, and added that "the people were justly alarmed with the apprehension that their undoubted right of choosing the electors of President and Vice-President would be withheld from them." It was charged, and believed at the time, that the Governor took this extraordinary step with the hope of securing a nomination from the people's convention, thereafter to be held. If this was so, he was doomed to a second disappointment on the subject of his nomination. He had no chance whatever in that convention. This calling the Legislature together, under the circumstances, lost him the confidence of those who had, in the legislative caucus, manfully sustained him. These things ended his official life.

When the Legislature convened, on the second of August, they resolved that nothing had occurred since the previous adjournment authorizing the Governor to call an extra session, and adjourned to meet according to law. Mr. WRIGHT voted for these resolutions, upon the ground that, the Legislature having just considered and acted upon the only question presented by the Governor in his proclamation and message, that subject could not possibly, so soon thereafter, become an "extraordinary occasion," within the meaning of the Constitution, so as to authorize convening the two Houses. This view was then and ever since has been deemed the true one. This proclamation, session and adjournment served only to increase the agitation, and inspire active partisans with increased zeal and greater activity. The war of words became intensely absorbing and excessively bitter. The charges of violated pledges and rights withheld from the people soon gave place to charges of bargain and corruption in the election of President by the House of Representatives, the accusations coming freely, and

mainly from the other side ; the accused, in turn, becoming the accusers.

At the convention of the people's party, Mr. Tallmadge, who had expected the nomination for Governor, was defeated, and Mr. Clinton nominated by a very large majority. It is not remembered that Mr. Clinton openly avowed his preference for either presidential candidate, although he was then really and soon afterwards was known as a supporter of Gen. Jackson. Col. Young, in a published letter, declared that Mr. Clay was his first choice, and, in substance, that he disapproved of the course of those who were charged as hostile to a change of the electoral law ; which gave great offense to many, and to some who helped nominate him, and lost him the active support of many Crawford men.

Mr. Clinton was elected by a majority of 16,906 votes. Mr. WRIGHT supported Col. Young, in good faith, as the democratic candidate. He believed, however, that he had, by his letters and conversation concerning the electoral law and the candidates for the presidency, damaged his support, if he did not thereby occasion his own defeat. Mr. WRIGHT, and many others, doubtless, felt the sting of his shrinking from the responsibility of the course of many who participated in his nomination. They also thought that, having been nominated by a State legislative caucus, he ought, in good faith, to have supported the candidate selected by a national legislative caucus, and that deserting it and declaring for Mr. Clay was an act of bad faith to the democratic party. Mr. WRIGHT ever attributed these acts of Col. Young to his conforming to the advice of his friend, Mr. Cramer, instead of following the dictates of his own judgment, which was honest and usually very sound.

CHAPTER XX.

APPOINTING ELECTORS FOR PRESIDENT AND VICE-PRESIDENT.

On the 2d of November, 1824, the Legislature convened, according to law, to choose presidential electors. In the Senate, the Clay and Adams tickets each received seven votes, and the Crawford ticket seventeen. In the House, the Clay ticket received thirty-two votes, the Crawford ticket forty-three, and the Adams ticket fifty. The Clay and Adams men agreed upon a compromise, and electors were nominated accordingly; but upon joint ballot of the two Houses, owing to blank votes, only thirty-two of them were elected. Upon a second ballot, four Crawford men were chosen. It was alleged that these four were elected by the aid of Adams men. Their election caused Mr. Crawford to be one of the three highest from whom the House of Representatives had to choose, and prevented Mr. Clay being one of the three. It was then well understood that the election would go into the House, where Mr. Clay presided as Speaker, and was deemed all-powerful. Hence the belief that the Adams men, by design, deprived Mr. Clay of the means of becoming a competitor in the House. No other explanation has been given.

Mr. WRIGHT voted for the Crawford electors. Aside from considering himself bound by his nomination by the congressional caucus, the course of events subsequently to his entering the Senate had induced him to distrust all the other candidates, except Gen. Jackson, who had no organized party in the State, or show of strength in the Legislature,—Mr. Wheeler, of the Assem-

bly, being his only avowed supporter in it. When the electors cast their votes for President, Mr. Pierre A. Barker, who was chosen as an Adams man, cast his for the General. Twenty-six votes were cast for Mr. Adams and four for Mr. Clay. For Vice-President, Mr. Calhoun received twenty-nine, and Nathan Sanford seven. Thus ended the great contest in New York.

CHAPTER XXI.

CHANGING THE ELECTORAL LAW.

At the November session of the Legislature a law was passed concerning choosing electors, submitting to the people the question as to how the choice should be made. It provided for ballot-boxes at the next general election, in which the voter might deposit a ballot upon which the mode of his choice should be inscribed. It might be for choosing "by districts," "general ticket and plurality," or "general ticket and majority."

Without waiting for the advice of the people, on the 15th of March, 1825, the new Legislature passed an act for electing, by "districts," as many electors as the State might be entitled to members in the House of Representatives, and these, when assembled to vote for President and Vice-President, to choose two electors to correspond with the two Senators to which the State was entitled, and to fill any vacancies which might then exist. This act was not supported by Mr. WRIGHT. Under this law the people elected, in 1828, thirty-four Presidential electors, eighteen in favor of Gen. Jackson, and sixteen for Mr. Adams. Thus, the people of the whole State gave but two effective votes. The eighteen Jackson electors chose two to represent the senatorial vote, so that the vote of the State was twenty for Gen. Jackson and sixteen for Mr. Adams. In effect, New York was dwarfed down to the size of Rhode Island, and less than New Jersey. Results like this had been anticipated by Mr. WRIGHT, and urged as a reason why the district system should not be adopted. The people of the State thereupon took the same view. They felt humiliated to

see the power of the State thus thrown away and her importance in a presidential election reduced to substantially nothing. Those who had felt proud of New York and gloried in her power and influence in national elections, at once abandoned the district system, and came out in favor of a general ticket and plurality. On the 15th of April, 1829, the Legislature passed a law repealing the district system, and adopting that of a general ticket for the whole State, a plurality making a choice, which law still exists. Although still preferring the majority system, Mr. WRIGHT, not then in the Senate, yielded his private opinion and concurred with his friends and the public generally, in this action of the Legislature.

MR. WRIGHT TO MINET JENISON.

“WEYBRIDGE, VT., Dec. 9, 1824.

“MY DEAR SIR.—The traveling is so bad and the time to the annual session so short, that I have given up the expectation of returning home this vacation. The following is a copy of the receipt I have from Mrs. Smith Willard :

“‘Received, Albany November 27, 1824, of S. WRIGHT, Jr., fifty-six dollars fifty cents, to be applied on the account of Joseph Ames, and Ames, Walker & Adams.

“(Signed)

‘SMITH WILLARD.’

“This was the sum I found on my memorandum, to be paid on the 10th of December. We adjourned. Soon after I received my pay, and immediately paid the money. It was more than enough to balance the account of Ames, individually, and the residue was applied on the account of the old firm of Ames, Walker & Adams. Mr. Ames will therefore pay to Mr. Hasbrouck, on my land contract, \$56.50, as of the 27th November, and we shall be even. The first payment on the contract falls due on the first January next, and I wish this payment made by that time. I have nothing new to write. Our calculations as to the election were not more disappointed than those of wiser men and more interested politicians. The State has taken a kind of political somer-

set, which I think will be thrown back next year. I have nothing new to write, but what the newspapers of the day have taken to you. Our last session has been interspersed with storms and sunshine like the others. I send you a copy of our electoral [law], together with the report of the committee on that subject, of which I had the honor to be a member.

“In confidence I inform you that my friend Earll, the Onondaga Chief, laid the plan and drew the report, etc. The opposition curse the plan and call it ours; say we had better belong to another *seventeen*, etc., etc. We think the plan rather cunning, as it is sound in principle, *peoplish* in its character, and furnishes a safe retreat for the *seventeen*. All our friends must take at once the district ground, as that is the democratic ground beyond all question. You will think this is contrary to my ground of last winter. It is, but it is more democratic, and the keeping of the vote of the State together anyway, when dishonest men try to divide it, is impracticable. On the district ground we shall, at the ballot-boxes, whip the Clintonians, as they will take the *general ticket plurality* ground. I send you a copy of the Chemical Bank evidence. The report of the committee, you have in *The Argus*. Read them together, and let them circulate. They will go to prove the characters of *some men* what I have declared them to be. After this document has been read by our friends in Canton, I wish you to send it to Allen for his reading, but get it back and keep it safe. Give my respects to all, particularly to Messrs. Sackrider & Barnes, and tell them to read this treatise on chemistry. Stoors will also read it, I think.

“In haste, your friend,

“S. WRIGHT, JR.

“MR. MINET JENISON.”

CHAPTER XXII.

SUCCESSOR OF RUFUS KING.

The term of Rufus King, whose long and successful public service is so well known, was to expire on the 3d of March, 1825. His great age and enfeebled health induced him to decline a re-election. The first day of February was the time fixed by law for the appointment of a successor. The people's party and Clintonians had elected a large majority to the Assembly. Ambrose Spencer, a distinguished jurist, was their first choice to succeed Mr. King, and they accordingly nominated him. In the Senate the Lieutenant-Governor, who was the presiding officer, and Senators Ogden, Burrows, Gardiner and others, as well as the friends of Mr. Crawford, were opposed to his election. Ten Senators nominated Mr. Spencer. James Tallmadge, Edward P. Livingston, Victory Birdseye, Samuel Young and John W. Taylor, received two nominations each ; Mr. WRIGHT nominating Victory Birdseye. Eleven other Senators nominated each a separate candidate. No one had a majority. A resolution was then offered declaring Mr. Spencer duly nominated, but failed, eleven to twenty. Similar resolutions, declaring James Tallmadge and Col. Young respectively nominated, were offered, but laid on the table. One nominating John W. Taylor was lost, nine to twenty-two. The Senate then adjourned.

As no one had a majority, the two Houses could not meet and compare nominations, and, if they did not agree, elect by joint ballot. The election failed, as the voting could not be again commenced on another day without a change of the law.

Although it was conceded that the Senate was legally authorized to scatter its vote so as not to make a nomination, the twenty-one Senators who did not so act as to concentrate their nomination, to the end that the two Houses could meet and act by joint ballot, were severely censured by the Clintonians and people's party generally. Mr. Jenkins, in his biography of Mr. WRIGHT, gives the probable causes of Mr. Spencer's defeat as follows:

"The Crawford men opposed him because he was friendly to Mr. Adams. The adherents of Gen. Tallmadge imagined that he could be appointed by a joint resolution, in case no election was made in the customary manner; a portion of the Adams men would not concur in anything approved by Gov. Clinton; and another portion, headed by Thurlow Weed, of Monroe county, also rejoiced at his defeat, because they hoped it might lead to the selection of Albert H. Tracy, of Buffalo. Resolutions were subsequently passed in the Senate, with the vote of Mr. WRIGHT, nominating Gen. Tallmadge and Mr. Tracy. The House refused to concur, on the ground that that mode of appointment was unknown to the laws of the State; but it is not unlikely that their legal scruples would never been heard of, had the name of Judge Spencer been inserted in one of the resolutions.

"At the time, Mr. WRIGHT and his friends insisted that the majority of the people were opposed to the appointment of Judge Spencer. The result of the fall election showed that this was the case; and it is some little gratification to know that the electors of the State ratified, in the end, the conduct of their Senators in 1825."

Notwithstanding his great learning and superior ability as a jurist, Judge Spencer, it is alleged, was never personally popular. He was considered a severe politician, somewhat arrogant and overbearing in his manners, and resentful and vindictive in his dislikes. He had been a rigid democrat, but had left his old friends and joined

their adversaries, and manifested the usual zeal of new converts. In the convention for revising the Constitution, he sought to retain the old Council of Revision and Appointment, composed of the judges of the Supreme Court, where he presided, and of the Chancellor, and had there fought for the retention of the old odious property qualification, to entitle a citizen to vote for Governor and Senators. Throughout that convention he had acted with Kent, Van Vechten, and other leaders of the federal party. At that time New York was really democratic at the core, as the next general election fully demonstrated. Under these circumstances, it is not strange that Mr. WRIGHT and those who acted with him assumed, and acted upon the assumption, that the people did not wish Mr. Spencer to be made United States Senator, which would enable him to control political affairs in the State, especially in national matters, and to gratify his resentments and disposition to rule in things both personal and political. They believed that the majority of the people would approve their resorting to all lawful means, as legislative bodies daily do to stave off questions and kill bills, to defeat a candidate against whom so many objections were raised and sustained by proof. The fall elections of that year showed that he had rightly anticipated the wishes of the people. After the people spoke, Mr. Spencer was not heard of. In the next Legislature—the political character of the Assembly having been changed—the accomplished Nathan Sanford, then Chancellor, was almost unanimously elected to the United States Senate, to supply the vacancy occasioned by the expiration of the term of the venerable and patriotic Rufus King, whom Mr. Adams soon after sent to England as minister. Mr. WRIGHT voted for Mr. Sanford.

MR. WRIGHT TO MINET JENISON.

“ALBANY, 3d *March*, 1825.

“MY DEAR SIR. — You will not be surprised when I tell you that your letter did not reach me until I had spoken hard things against you for your silence. The liberality with which you account, in this letter, induces me to fear that you must have troubled your own friends to have made out the money. As to politics, I am not surprised at your account. I was much disappointed in the result of the election, as well in the State as in our county, but, after learning the result, I expected to hear that our friends at Canton were as hidden and in silence. As to them, I will now say to you this State, and nearly this Union, is in a perfect state of chaos. Adams is President, and, although I was rather pleased than otherwise with the result, there is much reason to believe that his administration will be anything *but* republican. He seems determined to unite all interests in his cabinet, seeming to think that he shall thus unite all parties in his favor. But Mr. Adams ought to be old enough to know that it is easier to deserve a man's friendship than to buy it, and that it is not always the most prudent general who enlists the soldiers of an enemy rather than fight them. It is true, in the organization of a new cabinet, Mr. Adams must have united some one of the different interests with his. This might have been easily done, but all can never be united, and, by putting all into the cabinet, he will keep them all alive, and, however they may differ among themselves, they will all agree in this one thing of putting him out of the way at the end of four years. I am sorry to say that the prospect now is, that he will select very weak individuals from the several parties. All things here, and all parties I may say here too, are waiting to determine whether they are to support or oppose the national administration. Mr. Clinton, you will have seen, has been offered the appointment of minister to London. It is now said he will refuse the appointment and declare war against Adams; but that is uncertain yet. That Mr. Adams should have taken this man to his bosom and confidence, was, to me, the unkindest cut of all. I confess to you I am heartily sick of politics, but have not yet entirely concluded to

relinquish the little notion I formerly had of being an honest man. I therefore intend to do my duty, to the best of my ability, while I remain in my present *high* station, without much reference, as I now feel, to future popularity, but with the utmost care, at all times, to defeat and thwart the intentions of the political jugglers that are so plenty in this State. In doing this I shall necessarily incur the ill-will or abuse of the same kind of men at home. But be it so. If I can gratify no other passion, I can and will gratify my indignation on these political pharisees. And I will engage that, while I hold the purse-strings, these fellows get few fat offices with my consent.

“Where is my friend Allen? I fear that the result of the election has blown him off the coast. I have not heard a word from him since I left St. Lawrence. Our friend, V. D. H.,* gets along but badly, as far as I can learn, with his canal, and you know, since the use they made of it at the last election, I must feel disposed to help him along as fast as possible. He has been in New York most of the time of the session, but I believe he keeps one printing press constantly going here, for his productions, *at his own expense*. Write often and I will answer as usual.

“Sincerely yours,

“S. WRIGHT, JR.

“MR. MINET JENISON.”

MR. WRIGHT TO PARLEY KEYES, ONE OF THE CELEBRATED
SEVENTEEN SENATORS.

“CANTON, 29th Nov., 1825.

“MY DEAR SIR. — I write for the purpose of inquiring of you whether Ambrose Spencer is a Senator from this State, in the Congress of the United States. If you are able to answer the question, I wish you would communicate the information to the Hon. John C. Spencer, of Ontario county, in this State, who probably has some anxiety to know. I have looked in my next year’s almanac, and cannot find his name among the list. If

* Jacob A. Van Den Heuvel, in the Assembly from St. Lawrence, elected with the expectation that he would secure the construction of a canal from Ogdensburgh to Lake Champlain.

Spencer is *not* senator, what are the prospects of the *Bucktail* candidate, General T.? Again; if four adjoining counties have this year elected all Bucktail members to the Assembly, and they form our congressional district, will they elect federal congressman next year? But, seriously, my friend, were ever men so badly whipped as the allies in this State, this year; and was ever an event so fortunate? The blood of the martyrs may now be truly said to be the seed of the *Church*, and the Magnus must wish the d——I had the memories of his darling people. I know what the feelings of yourself and our Lewis friends are, as to our member elect,* and you know what my fears are. But suffice it to say that he was the only man we could have elected, and still an election so nearly upon old party grounds has not been known here for ten years. The rest of our ticket was undoubted, and we elect the whole, except our poor friend Hitchcock, who is lost by the d——d treachery of Raymond, our late high-minded sheriff. He nominated himself for clerk, and made too strong a diversion from Hitchcock.

“Our friend Danvers, too, in Washington county, is lost, and is now candidate for clerk of the Assembly, with Young, etc., to support him. He wishes me to write you on the subject, and request you, if consistent, to give him a lift. That he is perfectly competent, you will not doubt; that he is a true and stern democrat, we know; and I have heard of no candidate I would feel so strongly interested for. He says he will not conflict with Livingston, if he is a candidate, but he thinks he will not be. If you have no other candidate you prefer, I hope you will extend your favor to him. Please let me hear from you, and say when you will be at Denmark, on your way down, and I will meet you there. I now intend to be there on the twenty-third or twenty-fourth. Do not fail to let me know.

“Truly, your obedient servant,

“SILAS WRIGHT, JR.

“HON. PARLEY KEYES.”

*Baron S. Doty, formerly from Lewis county.

CHAPTER XXIII.

AMENDING THE STATE CONSTITUTION.

By the Constitution of 1821, the right of suffrage was limited to those who paid taxes, performed duty in the militia, or served in fire companies. Justices of the peace were appointed by the judges of the county courts and boards of supervisors. These provisions were the subject of loud and extensive complaint. The Legislature of 1825 proposed amendments to the Constitution on these subjects, which were agreed to by two thirds of that of 1826, and ratified at the November election. Under these, citizenship and residence, except as to colored people, who were required to own real estate to the amount of \$250, were the only conditions of voting. Justices of the peace were made elective, like other town officers. These changes received the support of Mr. WRIGHT, on the ground that they were salutary improvements, and much preferable and more democratic than the old provisions.

CHAPTER XXIV.

STATE BANK CHARTERS.

The powers of aggregated capital, in the form of banks, with the privilege of issuing a paper currency, was felt in New York at an early day. As places of discount and deposit, banks are of great convenience to those engaged in trade and commerce, by enabling them to anticipate the payment of good business paper. The holder sells, the bank buys, and, if the maker is good and performs his duty, the transaction is substantially ended when it is begun. Making paper to sell is simply a means of borrowing, and is essentially different from anticipating existing means. New York bank charters not only authorized loaning the capital paid in, but lending their credit, in the form of bills, to once and a half that sum. A bank having \$100,000 capital could loan, including its own bills, \$250,000. This capacity of self-expansion made bank stock a favorite investment. Hence, the Legislature was annually besieged by applicants for new charters. Had banking been left free, like other business, the inducements to enter into it would have been limited and controlled by competition. But, in 1804, when there were but six banks in the State — three in New York, one in Albany, one in Hudson and one at Waterford, or near there — the power of combined capital was concentrated upon the Legislature, which passed the “restraining act,” which gave the incorporated banks a monopoly of discounting notes. It made it a penal offense to contribute capital to any company or association to be used in making discounts, or transacting any other business which banks usually transact, or to receive

money on deposit, and declared all notes and securities received in such business to be void. This impolitic and anti-democratic law, Mr. Van Buren, when in the State Senate, in 1814, sought to repeal. This act gave the banks a monopoly of the business in which they were engaged, and by concentrating their strength in its favor they were enabled to prevent its repeal until the adoption of the free banking system in 1837. It was this law which caused bank charters to be sought by every means at the hands of the Legislature. The broader the powers conferred the more valuable the charter. Skillful and unscrupulous men were often thrown into the Legislature to promote schemes for securing bank charters. As a member of Assembly from the city of New York, Aaron Burr had carried through it the Manhattan Bank, so disguised as to be unknown, in a bill for "supplying the city of New York with pure and wholesome water." Dilapidated politicians sold their services and professed influence as lobbyists, for which they were often liberally rewarded when their labors proved successful. While the restraining law existed, the stock of banks newly chartered would be above par, and could be sold at a large profit. These stocks were distributed by commissioners named in the charters, thus enabling them to become the mediums of rewarding, through advantageous sales, those who were promised rewards for votes and influence. These distributions were usually so made as not to disclose the real beneficiary. On some occasions the applicants for charters raised funds for distribution among members and lobby agents, but to be reimbursed from the advance of stocks controlled by the managers. Offices in and the management of a new bank were among the means of rewarding those who had lent valuable assistance in obtaining charters. Securing such charters became a means of corrupting the Legislature, and of rewarding those who were the paid agents of corruption.

Applicants for bank charters commenced swarming around the Legislature as early as 1823-24. The pressure became intense in 1825, when there were some forty applications for new bank charters. The appetite for bank charters increased by being fed. Mr. WRIGHT never voted for a bank charter. He was looked upon as the leader of those opposed to increasing their number. Great efforts were made to induce him to yield his opposition, but all to no effect. The gratification of ambition, cupidity and vanity were held out without success, but tending to increase his unyielding opposition. A distinguished constituent of his, who had been in Congress, and then held a high federal office, was selected to approach him. The answer which he received was a combination of reason, scorn and contempt, which withered him, and forever closed his mouth on the subject. His contingent fee for securing an important vote was more than lost. Mr. WRIGHT was not communicative on the subject. The occupant of an adjoining room described it as one of the most remarkable scenes which ever occurred. Mr. WRIGHT not only denounced the indignity and insult of gray hairs seeking to corrupt and destroy one, of half the tempter's years — to disgrace his professions of democracy and bring odium upon the democratic party, and administered a keen rebuke to the crawling miscreant who had sold himself, and who professed to make merchandise of the votes of others, and all with a stinging contempt without a parallel. The intruder quailed under the eye of insulted integrity and independence, and sought forgetfulness where wrongdoers never find it — in the wine-cup.

Mr. Hammond says: "Mr. WRIGHT took a firm stand against the extension of exclusive privileges, and maintained it resolutely, mauger the blandishments of political friends and the threats of opponents. During that session, sixteen bank charters passed the Assembly, and

fourteen were originally introduced into the Senate, which passed to a third reading. The greater part of these failed of obtaining a constitutional vote in the Senate; and we have no doubt that that failure was, in most cases, produced by the personal efforts and influence of Mr. WRIGHT."

The Legislature had been in session but a few days before more than forty applications for new banks were presented and pressed by applicants, and sagacious and skillful agents. The pressure upon Mr. WRIGHT was very great. Its effect upon him is shown in the following anecdote related by Mr. Hammond.

"To show with what painful anxiety this combination of bank applicants bore upon the mind of Mr. WRIGHT, we beg leave to relate an anecdote communicated to the author by a gentleman who lodged in the same room with Mr. WRIGHT, during the winter of 1825. Mr. WRIGHT was occasionally subject to restless nights, or rather his sleep was sometimes unquiet. One night, which succeeded a day when some of the bank bills had been discussed in the Senate, after Mr. WRIGHT had been asleep some time, he sprung from his bed to the floor, being still asleep, and exclaimed, with a loud voice, 'My God! the combination is too strong,—every bank will pass.' When he awoke, it was with great difficulty that his nervous system could be so far quieted as to enable him to obtain any more rest that night."

Nothing could show more conclusively how deeply he felt the force of the principles which were involved and he was seeking to defend. There are few upon whom the subject of their official duties makes so deep an impression.

The case of Jasper Ward, a Senator from the first district, became the subject of great interest. He was accused of corrupt conduct, as a Senator, in the passage of an amendment to the Chatham insurance act, and an act incorporating the Ætna Insurance Company, thus conferring special legislative favors like bank charters.

On the first day of the session of 1825, Mr. Ward informed the Senate that he had been accused of improper conduct in relation to these acts, and demanded, at the hands of the Senate, an investigation in relation to the charges. His communication was referred to a select committee consisting of Messrs WRIGHT, Spencer, Burrows, McCall and Haight.

Four days afterwards Mr. WRIGHT offered the following resolution, which was adopted :

“ Resolved, That the committee to whom was referred the communication of Jasper Ward, made to the Senate on the third instant, be instructed to inquire into the truth of the charges contained in the New York American and New York Evening Post, sometime during the month of July or August last, in relation to the conduct of Jasper Ward in effecting the passage of an amendment to the act incorporating the Chatham Fire Insurance Company, and the passage of the act incorporating the Ætna Fire Company, and into other improper conduct in the passage of either of said bills, in which the said Jasper Ward shall appear to have been directly or indirectly concerned.”

The investigation of the committee was laborious and thorough. The testimony was all taken down minutely by Mr. WRIGHT, with his own hand, and the report was drawn by him. The depositions and report occupy seventy large folio pages in the Senate Journal. The report states that several of the charges made were wholly unsustained by proof. But the evidence authorized Mr. WRIGHT, as chairman of the committee, on the 28th of February, to offer the following resolution :

“ Resolved, That the conduct of Jasper Ward, a Senator from the first district, and the means used by him in obtaining the passage through the Legislature of the act entitled ‘An act to amend the Chatham Fire Insurance Company,’ and also his conduct and the means used by him in obtaining the passage of ‘An act to incorporate the Ætna Fire Insurance Company of New York,’ were a violation of his duties as a Senator, affording a

pernicious and dangerous example, tending to corrupt the public morals, and to impair the public confidence in the integrity of the Legislature, and that his conduct in these respects deserves and should receive severe reprehension ; therefore,

“*Resolved*, That said Jasper Ward, Senator as aforesaid, be, and he hereby is, expelled the Senate.”

The Senate laid this resolution upon the table, and ordered that Mr. Ward should be heard, on a certain day, by counsel. On the next day the presiding officer of the Senate received the following communication from him :

“SIR. — Unwilling to retard the business of the honorable the Senate by anything that concerns me individually, I have, upon mature reflection, concluded to waive the indulgence granted me to appear before the Senate by counsel. I do this from the conviction that the honorable body over which you preside is fully competent to decide on the merits of my case, as justice may require, without the agency of counsel. At the same time, permit me to request you to inform the Senate that I hereby resign my seat as a member of their body.

“I have the honor to be, very respectfully,

“Your obedient servant,

“JASPER WARD.”

Here the action of the Senate ended. Mr. Ward had anticipated its probable action, and expelled himself without a hearing.

Mr. Spencer had first moved in the matter, and he and his friends complained of Mr. WRIGHT being made chairman over him. It was insinuated that Mr. Ward was to be screened and protected through the agency of Mr. WRIGHT and his political friends on the committee. But the industrious, able and fair manner in which he performed his duties silenced all complaint, and Mr. Spencer ever after honored and respected Mr. WRIGHT, as did other careful observers. This course proved that where

duties were to be performed, personal and political feelings must yield. Mr. Ward had won the esteem of his brethren in the Senate; but it is due to Mr. WRIGHT to say that he had noticed in him a careless and half reckless manner of doing and saying things that were distasteful to him, which somewhat diminished the pain that he must otherwise have felt during these proceedings. Mr. Ward was not probably a bad man at heart, but the course of events about the Legislature, in relation to bank and corporation charters, had familiarized the minds of men to practices which no one could defend. In the beginning the practiced wrongs were small and not alarming. They grew, day by day, until the public became amazed and demanded the punishment of all such offenders. Obtaining bank charters, to make profits by the advance of their stocks, continued, to a large extent, until the free banking law of 1837 rendered all such enterprises hopeless.

Mr. WRIGHT was never the owner of bank stock, or otherwise interested in banks. He admitted their conveniences, while he regretted their defects and their inability to aid the public when assistance was most needed. Instead of dealing in real money, they exchanged credits with their customers, exacting interest upon their own. Under such circumstances, when panics and financial storms came, they struggled to protect their own credit, outstanding in the form of bills. Instead of increasing the volume of the currency, they actually diminished it. They lent freely when money was plenty, and collected it in from their customers when it is scarce. Banks of issue expanded and contracted the circulating medium at the wrong times. No such objections exist to banks of discount and deposit, dealing in constitutional currency. To such banks Mr. WRIGHT did not object.

This opposition to granting special legislative favors,

through bank charters, and his admiration of "Benton mint drops" and opposition to the United States Bank, induced the very general belief that he was a "hard money" man, and opposed to all banks. This belief sprang up soon after he entered the State Senate, and expanded while he remained there. As a whole, the banks were unfriendly to him. They were at the bottom, and caused a portion of the difficulties which disrupted the democratic party in the State, and which led to the formation of combinations with other interests, which pursued him to his grave. An account of these will be given in another place.

CHAPTER XXV.

THE NEW YORK CANALS.

The New York canals were commenced in 1816. The Erie and Champlain were completed near the time Mr. WRIGHT entered the State Senate. They occasioned wonderful changes in the value of real estate throughout their length, and especially in certain prominent localities. This, and their usefulness, aroused an unregulated spirit of speculation, resulting in applications for canals in almost every corner of the State. There was a perfect mania for canals. The State, by constructing them, was expected to make everybody residing near them rich. The applicants often controlled local elections. St. Lawrence county, by an immense majority in the fall of 1824, elected Jacob A. Vanden Heuvel to the Assembly, under the expectation that he would cause the construction of a canal from Ogdensburgh to Plattsburgh or Lake Champlain. But owing to the refusal of the water to run up hill, over the Chateaugay mountains, and his want of success in procuring land of the British Government in Canada, so as to avoid them, the work was never commenced or authorized.

In his annual message to the Legislature, in 1825, Gov. Clinton discussed, at great length, the subject of canals, and their great advantages. He especially enumerated a large number of localities where canals might be constructed, and called the attention of the Legislature to them. At that session, the Legislature responded to his views by making provision for surveying *seventeen* of the routes recommended by him. These things flattered the hopes and excited and increased the efforts of those

residing near these localities, or who owned lands in the neighborhood of them. Thousands of men confidently expected to be made rich by the legislation of the State in constructing canals.

Mr. WRIGHT was made chairman of the committee on canals. To secure his favorable action seemed all-important, and pressure of every possible variety and form was brought to bear upon him. Flattery and hopes of preferment,—of becoming a second Clinton and guiding the affairs of the State, were largely resorted to. Threats of political destruction often played a part in the efforts to control the young Senator. Personal considerations produced no effect upon him. He reflected with a full conscientiousness of the momentous importance of the subject, and formed opinions for life which have successfully stood the scrutiny of time. Instead of temporizing, he sought occasion to present his conclusions to the Senate, and through it to the people of the State. The application of David E. Evans and others for the construction, by the State, of a branch from the Erie canal, by way of Tonawanda, to Olean, on the Alleghany river, presented one. Their petition was referred to the committee on canals, consisting of two besides the chairman. Cadwallader D. Colden, from the first district, a distinguished lawyer in the city of New York, a gentleman of talents, high character and standing, a warm and efficient Clintonian, and an ardent internal improvement man, was second on the committee. He was a “speedy impulse” man, but a fair-minded, candid and prudent one. The third was Jacob Haight, from the third district, a person of intelligence and high personal character, who belonged to and acted with the people’s party. The hearing before this committee was long, patient and fair.

On this application, the committee, through Mr. WRIGHT, made a long and able report, which remains a

monument of his labor, candor, fairness and financial wisdom. The Erie and Champlain canals had been completed. The canal debt was large, but, by applying the proceeds of the canal fund and canal tolls to its payment, it was rapidly decreasing, thus authorizing the expectation that it would be fully extinguished within a few years. The question presented was that between the debt-paying and debt-contracting systems. If this petition was granted many others must follow, and the public debt be largely increased. If denied, the canal debt would soon be canceled, and the Legislature would then be, under the Constitution, authorized to apply the proceeds of the canals to making such internal improvements as the best interests of the State required, without becoming burdened with debt. Its solution involved the principles upon which such improvements should be made.

These principles were fully and clearly stated in the report, to which Mr. WRIGHT adhered through life. They were approved by the leading men of the State, and were fully indorsed by the majority of the electors at the time. They led to his appointment, in 1829, to the office of Comptroller, to the anti-debt policy of the act of 1842, the financial provisions of the Constitution of 1846, and the amendments of 1867. These principles are thus stated in the report:

“The great principles, then, which the committee suppose must be determined by the Legislature, before they will authorize the construction of any new canals at the expense of the State, are:

“*First.* The practicability of making a canal upon the route proposed, and of obtaining a supply of water sufficient for its use.

“*Second.* The ability of the State to sustain the expense, or the resources from which the work is to be carried on.

“*Third.* The importance of the work, and the promise of the utility and consequent income to reimburse the treasury for the expense of making it.

“And, unless the committee can make an affirmative and certain application of these principles to the project of the petitioners, they do not consider themselves at liberty to ask the Senate to adopt it.”

The report takes strong grounds against resorting to the credit of the State for the purpose of making further improvements. It says: “That the State has borrowed money for the construction of canals is true, and that it can again do it the committee do not doubt. But that it has paid the money so borrowed is not true; that the most hazardous part of this experiment, the payment of the debt due for this splendid improvement, has yet been tested is not true.”

The canal debt was then \$7,884,770.99; on the 30th September, 1869, it was \$12,564,780, having been increased \$5,680,009.01, or almost doubled in amount. The whole State debt is now (1871) \$43,265,306.40.

Had Mr. WRIGHT's policy been pursued, our canal debt would, many years since, have been paid, the Erie canal enlarged, and other public works been constructed, and the State without a debt occasioned thereby. This report defeated the anticipations of those who had built high hopes based on expected legislation. The principles upon which it was based became an element in the politics of the State. The democrats, almost unanimously, adopted them; those who did not, became parties to the combinations which occasioned his defeat in 1846, when a candidate for re-election as Governor. Forty-four years have rolled by, and many non-paying canals have been constructed by the State, and the canal debt immensely enlarged, and the State staggering under an enormous indebtedness, all tending to demonstrate the wisdom of the policy marked out in this report by Mr. WRIGHT.

CHAPTER XXVI.

LEGISLATIVE CAUCUS ADDRESS.

From the organization of the federal government to 1824, presidential candidates had been, with one or two early exceptions, nominated by a caucus of members of Congress, at the session next previous to the elections. Candidates for Governor, Lieutenant-Governor and other officers, voted for throughout the whole State, had been selected by State legislative caucuses in the same way, each party acting by itself. The want of harmonious action when Mr. Crawford was nominated in 1824, and the unfavorable result when Col. Young was presented by a legislative caucus in the State of New York, led to the abandonment of nominating caucuses for the action of the electors. The system of calling State conventions, to select candidates to be supported, followed, as better calculated to collect and combine the wishes and interests of the masses of a party. Under the caucus system, districts and counties represented by political adversaries had no voice in the selections made, and were compelled to yield to the representatives of other districts and counties.

A caucus of the democratic members of the Legislature of New York, at its winter session in 1826, was called, when the best mode of nominating candidates to be supported for Governor and Lieutenant-Governor was among the subjects of consideration. It appointed a committee to prepare and report resolutions and an address. Mr. WRIGHT was a member of this committee, and prepared those which were reported at an adjourned meeting, which were unanimously adopted. These are

so important, and the reasons so strong and conclusive in favor of changing from the caucus to the convention system, which exercised so wide an influence and were so satisfactory to all his political friends, that we give the resolutions and address entire. The mode then recommended now prevails throughout the entire Union, by all political parties.

REPUBLICAN LEGISLATIVE MEETING.

“At a meeting of the republican members of the Legislature of the State of New York, held at the Senate Chamber of the Capitol, in the city of Albany, on the 13th day of April, 1826, Jacob Haight, Esq., Senator from the third district, in the chair, and Robert Monell, Esq., of the Assembly, from the county of Chenango, Secretary.

The following resolutions and address were unanimously agreed to :

“*Resolved*, That it be recommended to the republican electors of the several counties of this State to choose delegates, equal to the number of representatives in the Assembly to which they may be respectively entitled, to meet *at the village of Herkimer, on the first Wednesday of October next*, to nominate candidates to be supported for Governor and Lieutenant-Governor at the ensuing election.

“*Resolved*, That it be recommended to the republican electors of the several towns in each county to choose delegates, to meet in county convention, to appoint their delegates to the State convention.

“*Resolved*, That the proceedings of this meeting be signed by the republican members of this Legislature, and published.

“JACOB HAIGHT, *Chairman*.

“ROBERT MONELL, *Secretary*.”

“*To the Republican Electors of the State of New York:*

“FELLOW-CITIZENS. — The time has again arrived, when, according to the long-established usages of the republican party, your representatives in the Legislature would be called upon to dis-

charge the responsible duty of nominating for your acceptance, and offering for your support, candidates for the offices of Governor and Lieutenant-Governor of the State. The number of years through which the practice of a legislative nomination of these distinguished officers has been adhered to by the republican party, the success which for so large a portion of the time has attended that party under it, and the several distinguished officers who have, through the intervention of such a nomination, been from time to time elevated to the highest and most responsible stations in the government, are the best proofs that, in these nominations, the public will has been consulted, the public interests regarded, and the great object of all nominations, the selection of fit and suitable candidates for office, satisfactorily attained.

“ We are aware that the mode of nomination has been assailed; that it has been pronounced bad in principle and arbitrary in practice; that management and intrigue have been said to govern its proceedings, and the elevation of a favorite to mark its results; that its supporters have been charged with a blind obedience to imperial dictation, and the actors in it with the most flagrant abuse of usurped power. These charges and allegations we have often heard. The evidences of their truth we have not seen. On the contrary, we have seen the democracy of the State supporting, and successfully supporting, candidates for offices thus nominated. We have seen the government of the State satisfactorily administered by officers thus nominated, thus supported and thus elected. We have seen the rights of the citizen protected, his privileges extended, and the safety of his person and property secured to him under the administration of such officers. We have seen the State defended from the attacks of her enemies without, and protected in the enjoyment of peace and tranquillity within, under such administrations. We have seen her rising to a proud pre-eminence among her sister States, and giving strength and confidence to the national government under such an administration. Nay, we have seen the same individual, at one time elevated to the highest executive office in the State from such a nomination, and at another time from a nomination made in a different manner. Nor have we been able to discover that the pride of power or the consequence of office were more sensibly


felt or more boldly manifested, when the former mode of nomination was the stepping-stone to the office, than when a different nomination effected the same object. Experience, then, has as yet exhibited no dangers to the State or the citizen, arising from this mode of proposing candidates for office. The agents in making these nominations are the representatives of the people, carrying with them the strongest evidence of public confidence,—a voluntary election by a majority of their immediate constituents. Principle, then, cannot be violated while these constituents ask of them the performance of this duty, or whilst their interest or the interests of the public can be subserved by a prompt discharge of it. Nothing, therefore, but the strongest reasons of policy and expediency can, at this time, excuse the republican members of the Legislature from following the course which has been so long and so successfully pursued by the republican party. But those reasons, they do believe, at this time exist, and to give them in the most plain and undisguised manner to their constituents is the object of this address.

“Formerly our annual elections were in the spring, and followed close upon the adjournment of the Legislature. The minds of the electors were drawn to the subject of the officers to be elected, and, if a Governor and Lieutenant-Governor were of the number, the public mind of the whole State was occupied in canvassing the merits of the several individuals who might chance to be named for those distinguished offices; and ordinarily, before the members of the Legislature were called together to name the candidate, the public feeling had marked the man to receive that honor too strongly to be mistaken. But if at any time this may not have been the case, yet that same feeling would be in a state of preparation to have its doubts and perplexities resolved, by the naming of one from the number of persons who might be too nearly balanced in the public mind to enable the superior qualifications of either to produce a preponderance in his favor. Then, too, all the conflicting candidates for those offices were put before the public at about the same period, and their respective qualifications were weighed with a reference to the relative merits and defects of each; an entire view of the persons from which a choice was to be made

was presented to the elector at once, and his judgment was formed from a comparative estimate of all the candidates. Now the annual elections are in the fall, and nearly seven months from the time at which a nomination must be made, if made by the republican members of the Legislature in the usual manner.

“Hence the candidate is named at a time when the public mind is not aroused by the excitements of an approaching election ; when no immediate interest is felt in a question, the determination of which is so remote ; when the great body of the community cannot be drawn to an attention of the real interests they have in such a designation, and when the majority of the electors of the State have neither pointed to the man who should be put in nomination, or weighed the merits of the respective competitors for so high a distinction. In the meantime, no candidate is nominated in opposition to the one thus selected until a short time before the election ; but the individual receiving this early mark of the confidence in his political friends is put to the necessity of bearing the test of public scrutiny against himself ; of having his positive and negative qualifications canvassed and discussed by the partial pens of political opponents, whilst the standard by which he is compared, instead of being an opposing candidate for office—human and erring like himself—is that ideal perfection with which the human mind is so apt to deceive itself, and which we rather wish than expect to find in men. He stands alone, for half the year, before the public, inviting the scrutiny of his political friends and the criticism of his political enemies, while his antagonist, by a comparison with whom he might bear the one and rise superior to the other, is unnoticed, because he is unknown.

“The merits of men, if merits they can be called, exist mostly by comparison, and few indeed can be found who are able, for so great a length of time, without the benefit of this comparison, to endure, uninjured, the storm of political opposition, interested in the destruction of that character which it has been well said ‘is tarnished by too much handling.’ Hence, prepossessions and prejudices are formed against the candidate who stands so long alone before the public, which preclude the possibility of an impartial comparison, when a counter-nomination affords the



opportunity. But on the contrary, the mind of the elector, having become biased against the candidate, whose defects have been exhibited and magnified by long and frequent repetition, seizes the alternative presented by a fresh nomination, not because the faults of the second candidate are less, but because they are less known to him.

“Another important advantage, which we give to our opponents by so early a nomination, is the opportunity of forming combinations of local feeling and local interests against any person we might put in nomination, and of selecting their candidates with reference to such sectional and partial interests, to the exclusion of a fair expression of the electors of the State in reference to the principles of the person to be elected. That many parts of the State are more or less affected with questions of a local and sectional nature will always be true, and that such questions, whenever they may exist, and whatever may be their extent or importance, should not be made the engines of a political party, or the subjects of a deceptive encouragement, given for political purposes, is also true. If, then, the candidates of both or all political parties are put before the public, at nearly the same time, all have an equal interest in refraining from or attempting these combinations; all select their candidates with a knowledge of the same facts, and all have an equal time to embody their friends, and the various interests of every part of the State, in favor of their respective candidates. Hence these local combinations must be far less partial, and consequently the evil to be apprehended from them far less extensive. These are some of the reasons which have induced the republican members of the Legislature to omit, at this time, making the nominations of the candidates of Governor and Lieutenant-Governor in the manner heretofore practiced.

“But what mode of nomination of these offices to recommend to their constituents, or in what manner candidates shall be brought before the public, has been a question of somewhat difficult solution. No plan, however, has been suggested which seemed so likely to produce a satisfactory result as that of calling a general State convention, and they have, therefore, unanimously concluded to recommend to the republican party of the State that

mode of making these nominations. That substantial objections, in a State so large as ours, exist to this recommendation, they are fully sensible; and that considerable personal sacrifices, and, in some instances, heavy expenditures, must be incurred to carry this recommendation into effect, they are equally aware. That some counties may omit to appoint delegates; that county conventions in others may be thinly attended, and that delegates appointed may, in some instances, fail to attend a State convention, are also evils justly to be apprehended. But objections may be found to the most perfect of human institutions, and your representatives, in recommending the adoption of this mode of nomination, feel the fullest confidence that that deep and active interest which is felt by every republican in the preservation and success of his party and his principles, will induce him to meet and obviate these difficulties with the same cheerfulness with which he must repeatedly have encountered other and greater evils.

“The approaching election is an important one to the republican party of this State, both on account of the number and importance of the offices to be elected, and on account of the peculiar effect the result of that election may, and probably will, have upon the future strength and prosperity of the party itself. The history of the last two years furnishes all the instruction necessary to direct us successfully through the coming contest. The divisions which unfortunately distracted and divided the republican party in 1824 were created by a premature enlistment of our prejudices and partialities towards the several distinguished individuals who were then before the public as candidates for the presidency. In the intensity of those prejudices and those partialities, and that, too, when our real interests were the same, we forgot our duty to ourselves, dissolved the strong ties which had so long bound us together, and the consequences are fresh in the recollection of every republican. But when reflection returned, that strong attachment to sound principles and usages, which, when left to its free exercise, has never failed to insure success, again restored us to harmony and gained our election. Shall we not, then, profit by the lessons which experience has so recently taught us? Shall we again, and

so soon, suffer ourselves to be divided by the same causes that produced our former divisions—to be defeated by the same causes that produced our late disunion?

“It is not to be disguised that prejudices and partialities, as to the next presidential election, are already beginning to prevail; that a variety of interests are actively engaged in preparing for that distant struggle, and that efforts will be made to intermix those prejudices, those partialities and those interests in our next State election. If wisdom is to be learned from experience, republicans will be cautious. If they are honest to themselves they will remain united. They will surrender their partialities for men, to their attachment to the interests of the party and the State. They will select as candidates for office, not the followers of any man, but the followers and adherents of republican principles, and, without inquiring for their presidential partialities, they will support them as republicans. In choosing delegates to the convention, let it be a subject of interest to the yeomanry of the respective counties that their delegations are selected from the sound democracy of their county; that they are men of liberal views, but of unshaken constancy—men who, in selecting a candidate for the office of Governor, will not ask, is he friendly to this or that man for the presidency, but is he a republican? Has he been firm in his adherence to republican principles and the republican cause? Is he honest, capable, and faithful to the Constitution? In a convention composed of such delegates, no divisions are to be apprehended; but the selection of candidates who would unite the feelings and secure the support of the whole party would be the certain result. Pursue a different course and our former divisions are renewed, our strength divided, and our defeat inevitable. Republicans! the present political calm in this State is deceptive and portentous. Suffer not yourselves to be deluded by it. It is the stillness which precedes an impending storm. Permit not yourselves to sleep till you are swept away by its fury. Your opponents are not changed. They would fain amuse you with their song of peace, while they rally from defeat and prepare again to meet you at the polls. But let the union which now prevails among republicans be cherished and preserved; let the recent prejudices which have existed pass

away with the causes which have produced them, and suffer not others of a similar character to be admitted in their stead; let your candidates for office be carefully and judiciously selected — men honest, faithful and capable, uniting the confidence and feelings of republicans — and you have nothing to fear from the consequences of such a meeting. Consider the proposed alteration in the manner of nominating your Governor and Lieutenant-Governor not as an abandonment of principles and usages which have heretofore governed and sustained the democracy of the State, but as an alteration rendered necessary by the change in the organization of your government, and rather as an additional inducement to a rigid adherence to the principle of regular nominations by delegated conventions. Let your town conventions be punctually and carefully attended,— your county conventions represented by a sound, a judicious delegation, and you will thus insure a State convention whose proceedings may prove that the interests of the party are bettered by the change in the mode of nomination. Your last election proves that you have the power to succeed; that harmony of sentiment and concert of action will render you irresistible; in short, that if you are defeated, you will defeat yourselves.

“JOHN BOWMAN.

JONAS CLEAND.

CHARLES STEBBINS.

JAMES BURT.

HENRY B. COWLES.

SILAS WRIGHT, Jr.

JONAS EARLL, Jr.

DANIEL CRUGER.

ISAAC R. ADRIANCE.

PETER HAGAR, 2d.

BARON S. DOTY.

STEPHEN ALLEN.

PARLEY KEYES.

AUGUSTUS FILLEY.

DAVID BENEDICT.

P. R. LIVINGSTON.

WILLIAM FITCH.

JOSHUA SMITH.

LATHAM A. BURROWS.

FRANCIS COOPER.

SHERMAN WOOSTER.

DAVID GARDINER.

THOMAS CRARY.

SAMUEL YOUNG.

STUKELY ELLSWORTH.

THOMAS DIBBLE.

DANIEL D. AKIN.

JACOB HAIGHT.

ROBERT ELDRIDGE.

LEVI BEARDSLEY.

WELLS LAKE.

JOSIAH FISK.

NATHAN BENSON.

JAMES MALLORY.

PHILIP BRASHER.
JAMES MCCALL.
JOHN G. FORBES.
DAVID W. BUCKLIN.
WILLIAM NELSON.
MALTBY GELSTON.
PHINEAS STANTON.
USHER H. MOORE.
JAMES HALL.
WM. TOWNSEND.
WILLIAM PIERCE.
BENJ. HENDRICKS.
DAVID TROPP.
PETER ROBINSON.
FREBORN G. JEWETT.
DANIEL WARDWELL.
AB'M SHULTZ.
TILLY LYNDE.
JAMES WILEY.
JOSEPH SCOFIELD.
MARTINUS MATTICE.
HEN. WILLIAMS.
WILLIAMS SEAMAN.
JAMES W. GLASHEN.
DAVID WOODCOCK.
AVERY SMITH.
ISAAC MINARD.

ELIAL T. FOOTE.
CHAUNCEY BETTS.
ARCH'D MCINTYRE.
JOHN FRENCH.
JOSIAH CHURCHILL.
ROBERT MONELL.
E. A. G. B. GRANT.
WM. A. TOMPSON.
HORATIO ORRIS.
ISAAC HAYES.
JOHN TRACY.
JON. E. ROBINSON.
OGDEN HOFFMAN.
EAMONA VARNEY.
ERASTUS ROOT.
MARTIN LAWRENCE.
GRATTAN WHEELER.
NICHOLAS SCHUYLER.
JOHN LYNDE.
DAVID WILLARD.
DANIEL SCOT.
HUDSON M'FARLAN.
J. H. WILLIAMSON.
ALPHEUS SHERMAN.
AMOS MILLER.
BENJ. WOODWARD.
JOHN H. SMITH."

CHAPTER XXVII.

THE VAN BUREN LETTER.

A calm survey of the field of battle of 1824 furnished ample materials for reflection upon the past and speculations upon the future. There was found far more to condemn than to approve. But, to active and aspiring men, the future furnished most ample ground for contemplation. It was believed that Mr. Clinton would be nominated for re-election in the fall of 1826, and that he had determined that he would support Gen. Jackson at the next presidential election. Mr. Van Buren was then in the United States Senate at Washington, and it was known that he had concluded to support the General. It then became a question whether the democratic party should nominate a candidate to run against Mr. Clinton for Governor, or let the election go by default. It was known that a large portion of those formerly designated as Bucktails could not be induced to vote for Mr. Clinton. It was said in Albany that Mr. Van Buren, under the circumstances, thought that no nomination, in opposition to Mr. Clinton, ought to be made. Mr. WRIGHT and others there looked at the matter from another standpoint, and had arrived at a different conclusion. At Albany it was thought best to communicate their views to Mr. Van Buren, and Mr. WRIGHT was selected for that duty.

In a letter addressed to Alva Hunt, dated the 20th of September, 1844, Mr. WRIGHT refers to this subject and says :

“This is a sketch of the circumstances under which the letter was written. Mr. Adams was elected President by the House of

Representatives, in February, 1825. Mr. Clay had supported him and taken office under him, and Gen. Jackson had been announced as a candidate against him, and Mr. Clinton had become a Jackson man. His object was to retain the political power of the State, and show to the Union that he held it. Our democracy had been, at the election of 1824, much divided between Adams, Crawford, Clay and Calhoun, there being no party for Gen. Jackson. Those who had been for Adams and Clay were not ready, in the winter of 1825-26, to come out against Mr. Adams' administration, and go in for Gen. Jackson, though the policy of the administration, then being developed during the first session of Congress under it, was fast making them see that Mr. Adams had really been the federal candidate. The republicans who had been friendly to Mr. Crawford and Mr. Calhoun were ready to range themselves on the side of Gen. Jackson. Mr. Clinton wished to make that question at the approaching Governor's election, to be the Jackson candidate for Governor himself ; knowing, as he did, that the federal party would nominate him and no one else, as they did, early in the season ; and we had reason, at Albany, to believe that Mr. Van Buren, at Washington, was entertaining the opinion that we had better make no nomination of Governor, and let Mr. Clinton run alone.

“ Gov. Marcy, Mr. Flagg, Judge Keyes and myself, with almost all our other friends at Albany, entertained a different opinion, and by the particular request of those three friends I wrote the letter and showed it to them, and sent it to Mr. V. B. You will see, from reading it, that I had (in view) two objects: first, that we should nominate and run a candidate for Governor, against Mr. Clinton, to keep our party in the State together; and, second, that we should not make the presidential question at that election, because it would divide the democracy, and I was confident that time would bring them all to oppose Mr. Adams. The real offense was, and is yet, that the letter aided to break up another intrigue, having for its object the division and defeat of the democratic party in the State, and Mr. V. B. being absent at Washington, and not having the opportunity to see the movements at home, we feared was about to be deceived and misled by it.”

As to the manner of this letter being obtained and made public, he says :

“It was not in a piece of furniture sold at auction, as the publishers of it now pretend — nor was that the first pretense — but it was purloined, Mr. V. B. never knew how or by whom. It was a private letter, and bears that character upon its face, as published, and so purloined it was published; and I have many reasons for supposing Jabez D. Hammond, the historian, could tell, if he should choose, as much about the whole matter as any man living. All the stories assume that the letter must have left Mr. V. B.’s possession when he removed from Albany, upon his appointment as Secretary of State, under Gen. Jackson, in the spring of 1829; and yet it was not published until the fall of 1830, having been retained more than a year and a half, and over one election.”

This letter was dated the 4th of April, 1826. In it, Mr. WRIGHT stated, among other things, that great “alarm had been excited among his political friends in Albany, because Mr. Noah, of the National Advocate, in the city of New York, editor of a democratic and Crawford paper, and some others in that city, had come out for Mr. Clinton for Governor and Nathaniel Pitcher for Lieutenant-Governor.” Mr. WRIGHT contended that such a policy would be unwise and dangerous; that the Adams party, which then composed a large portion of the democratic party, would, if no candidate in opposition to Mr. Clinton was regularly nominated, make a nomination, and such candidate, he said, “the great body of our political friends throughout the State would enlist themselves to support against Mr. Clinton.”

“Should we decline to support the candidate run against Mr. Clinton *because* he was friendly to Adams, this would inevitably induce the friends of that candidate, two-thirds of whom, so far as the State is concerned, would be our friends, not only to run for Congress, Senate and Assembly tickets, but to run them pledged for Adams. In any event, then, from this state of

things, it does appear to me that we should be between two fires, without the least prospect of escaping the flames, *instead of bringing off the spoils.*"

This last sentiment was the subject of severe animadversion, and especially by hypocrites who had devoted their lives to work of securing political "spoils." Not one of those who were loud and severe in these denunciations failed to secure spoils to the greatest possible extent. The principle is old, and the practice is only limited by unsuccessful efforts of hungry partisans.

Mr. WRIGHT then proceeds to consider the question of who should be nominated. He, under the seal of confidence, discusses with freedom the merits of several gentlemen who had been spoken of for nomination. Among these was William B. Rochester, then circuit judge of the eighth district, and Nathan Sanford, late chancellor, and others. His description of each is graphic and just, both personally and politically. He finally recommended the nomination of Mr. Sanford.

Mr. Hammond, in his History, expresses the opinion that Mr. Van Buren brought this letter with him when he came from Washington to Albany, in January, 1829, to be inaugurated Governor of New York, and on returning in March, to become Secretary of State under Gen. Jackson, it was accidentally left in a bureau which was sold at auction, and bid in by one Frederick Porter, a merchant of Albany. He adds, that Porter brought the letter to him, and that he advised him to return it to Mr. WRIGHT, who was then Comptroller of the State. This Mr. Porter allowed the letter to be published in the *Workingmen's Advocate*, an anti-democratic paper. Mr. Hammond thus accounts for his having the knowledge on this subject which occasioned the remark of Mr. WRIGHT in his letter to Mr. Hunt. It does not seem possible that this letter was sold in a desk at auction, and retained a year and a half by the purchaser before showing it.

Why did not Porter act on Hammond's advice? It was doubtless purloined, but whether by Porter, or who else, there is no evidence.

It cannot be doubted that the design of this publication was to involve Mr. WRIGHT in difficulty with those whose characters and positions he had so freely but truthfully discussed. But those causing the publication of this confidential letter utterly failed in accomplishing their unjustifiable and malignant object. The persons to whom he referred promptly notified Mr. WRIGHT that they saw nothing wrong on his part, and that it should, in no respect, affect their friendly relations. The principal effect of this publication was to show to the public that it was the young Senator from St. Lawrence, instead of senior politicians, who had combined and led the distracted democratic party in New York out of its entanglements, and enabled it to make Mr. Van Buren Governor in 1828, which contributed to the elevation of Gen. Jackson to the presidency, and the triumph of the democratic party in the State for a long series of years.

CHAPTER XXVIII.

NOMINATED AND ELECTED TO CONGRESS.

No public officer ever more rapidly won the esteem of his associates than Mr. WRIGHT in the State Senate. His talents, frankness, candor and conciliatory deportment commanded the respect not only of political friends, but even of his adversaries of the severest kind. The abuse heaped upon him by the Clintonians and people's party, in relation to the electoral law, excited the strong sympathy of the entire democratic party in the State, and especially in northern New York. Mr. WRIGHT resided in the twentieth congressional district, consisting of St. Lawrence, Jefferson, Livingston and Oswego counties, then represented by Nicholl Fosdick, of St. Lawrence, and Daniel Hugunin, of Oswego, elected by anti-democrats. The democracy of the district, with entire unanimity, and in accordance with the wishes of the party in the State, nominated him for Congress, with Rudolph Bunner, of Oswego, for a colleague. Mr. WRIGHT was the first of the distinguished *seventeen* who was presented to the people for their suffrages. It was a distinct challenge to the adversaries of the democracy, who nominated Mr. Fosdick for re-election, and Elisha Camp, of Jefferson, as his associate. The contest was a most animated one, calling out the most active exertions of the friends of Mr. WRIGHT on one side, and occasioning a most determined opposition on the other. A more warmly-contested congressional election had never been known in the State. Three of the celebrated *seventeen* resided in this district, and one, Mr. WRIGHT, was a candidate brought forward, in part, at the instance of

the other two — Parley Keyes, of Jefferson, and Alvin Bronson, of Oswego county. Mr. Bronson, one of the fairest and best of men, was not noted as a politician; but Mr. Keyes was esteemed one of the foremost in the State, — though without education, was distinguished for his sound sense, great shrewdness and untiring energy. No one managed a political contest with more vigor and skill. He was an ardent and sincere friend, and considerably advanced in years. Being in the Senate with him, he early discovered the talents and good qualities of Mr. WRIGHT, and soon regarded him almost as a son. This called out his best exertions. With such supporters the effort to defeat Mr. WRIGHT was doomed to fail. Mr. Bunner was a most excellent man, who had not been in public life so as to become a special target to be aimed at. The contest was really over Mr. WRIGHT. Through him the democracy triumphed. He and Mr. Bunner were elected by over 500 majority. Under the circumstances, this was a wonderful triumph. His political enemies had expected to crush him out and destroy all future hope concerning him. But his triumph laid the foundation for a long and successful career in public life, during which he commanded the esteem, respect and confidence of all good men to an unequaled extent.

CHAPTER XXIX.

RETIRES FROM THE STATE SENATE.

Under his election to Congress, in November, 1826, Mr. WRIGHT became entitled to take his seat in the House of Representatives on the 4th of March, 1827. Between these two periods he continued to perform his duties as Senator. Some of his most important services were then rendered. His great report on the canal policy was then prepared. Not wishing to run any hazard concerning the action of Gov. Clinton, in case he continued in the Senate after the third of March, he resigned his senatorship, to take effect on the fourth of March. To promote the convenience of others, and without profit to himself, he had continued to hold the office of postmaster at Canton. This he also resigned, to take effect on the same day. These two resignations put an end to the warmly agitated question of the Governor's declaring his seat in Congress vacant, and issuing a writ of election to fill a vacancy.

The expressions of regret on Mr. WRIGHT's retiring from the Senate were general and heartfelt. Those who differed with him in opinion admired his candor and frankness, and respectful deportment and superior talents, while he was almost idolized by his political friends. The aged parted with him as from a son, expressing strong hopes and expectations of his future in the new field upon which he was about to enter, and the young as parting from a kind, unselfish brother, whose footsteps it was safe to follow. No man ever retired from a legislative body more esteemed and respected by all

CHAPTER XXX.

WHAT HE OMITTED TO DO.

The immense size of St. Lawrence county, and the expectation that the county buildings would be removed from Ogdensburgh to the central position at Canton, has been mentioned among the inducements for Mr. WRIGHT's locating at that place. Under such circumstances it might have been expected that he would become an agitator of that question. It would have been easy for him while in the Senate to have procured the passage of an act requiring the removal, after having made suitable land purchases to profit by it. But he did neither. The selfishness of others precipitated action when it occurred. People in Jefferson county sought the formation of a new county by uniting a part of St. Lawrence with a portion of Jefferson, fixing the county buildings at Ox-bow. Others in the east end of St. Lawrence wanted the county divided, making a new county, with public buildings at Potsdam, leaving the old county with the court-house at Ogdensburgh. These schemes were manfully resisted by the people of Canton and other places. They correctly insisted that the influence and importance of the county would be greatly diminished by the division. Each portion would have its own separate interests, in which the other would not participate. If kept together, the county would soon have three members in the Assembly, and would wield a powerful influence in the politics and legislation of the State. The question of removal became one of controlling importance in the local election of 1827, and was decided by the people, who elected Jabez Willes and Moses Rowley to the Assembly, as friendly to that measure. On

the 28th of January, 1828, when Mr. WRIGHT had been some two months attending to his duties in Congress, and had been out of the Senate nearly a year, the act for removal was passed. At that time he had made no purchases of real estate or other preparations, to profit one cent thereby. The removal was in pursuance of the voice of the majority of the voters of the county. It was the work of the people, and not of Mr. WRIGHT through his unbounded influence in the Legislature. Nothing could more conclusively demonstrate that he was utterly unselfish, and that on no occasion would he make his official position the means of improving his pecuniary affairs. In his course on this subject we have the clearest possible evidence that, in all such matters, he was guided by duty, and not by love of dollars.

CHAPTER XXXI.

MR. WRIGHT IN THE TWENTIETH CONGRESS AT ITS FIRST SESSION.

Mr. WRIGHT took the Constitutional oath, and a seat in Congress, on the 3d of December, 1827. The result of the presidential election of 1824 had left the political situation in an anomalous condition. The number of candidates for the chair of State had been reduced to two. Mr. Crawford had retired to a judgeship in Georgia. Mr. Calhoun was enjoying the honors of the Vice-Presidency. Mr. Clay had been absorbed by Mr. Adams, whom he was serving as Secretary of State. Mr. Adams, without a party in phalanx agreeing with him in everything, and ready to act on all occasions in concert, was laboring in the presidency, hoping to form a numerous and harmonious party. Gen. Jackson was enjoying home life, at the Hermitage, leaving to his friends the management of his political fortunes. The great issues to be tried by the electors, in 1828, had not been fully developed or presented in tangible form. Each of the former candidates had friends, with views more or less definite on political subjects.

Their numbers were sufficient to command respectful attention. But the labor of harmonizing them was not easy, if it was not a hopeless task. Mr. Adams had selected his positions in his messages, leaving Gen. Jackson's friends the advantage of general objections and the choice of unoccupied ground to stand upon. The country resembled a chess-board, with armies arrayed, without players who could calculate with certainty what service each individual will perform. The inducement

which would bring one into line would upset and drive another away. The leading players studied the field with reference to these considerations. Selfish motives, founded upon local interests, were oftener appealed to than constitutional and patriotic principles. The labor of harmonizing and combining such elements was the task committed to those giving direction to political opinion.

It was conceded the New England, as well as certain anti-democratic States, would again go for Mr. Adams, and that certain southern and western States would vote for Gen. Jackson. But it was expected that the votes of New York, Pennsylvania and Ohio would control the result. The great game was played with reference to the votes of these States, whose wishes, as a whole, were unknown. Neither side sought concerted action through a national convention, and both repudiated caucuses. Each claimed to be democratic.

A tariff to protect American manufactures was passed in 1816, by the votes of Lowndes and Calhoun, of South Carolina, Tucker and Newton, of Virginia, Forsyth, of Georgia, and other southern gentlemen, as well as by Mr. Clay and members from New York, New Jersey and Pennsylvania. Gov. Yates, in 1824, and afterward in his annual messages, took ground in favor of encouraging domestic manufactures by an increase of duties on foreign importations. This theory was generally received as the true doctrine, except in New England, where navigation and commerce were the controlling interests, manufactures not then having become the leading business there.

The feeling in New York was fully indicated by resolutions introduced into the Assembly, on the 28th of January, 1828, by Daniel Wardwell, a strong Jackson man, from Jefferson county, an excellent and good man, who subsequently served three terms in Congress.

“Resolved, That the Senators of this State, in the Congress of the United States, be and they are hereby instructed, and the Representatives of this State be requested, to make every proper exertion to effect such a revision of the tariff as will afford a sufficient protection to the growers of wool, hemp and flax, and the manufacture of iron, woolens and every other article, so far as the same may be connected with the interest of manufactures, agriculture and commerce.

“Resolved, as the sense of this Legislature, That the provisions of the woolens bill, passed the House of Representatives at the late session of Congress, whatever advantages they may have promised to manufacturers of woollen goods, did not afford adequate encouragement to the agriculturalist and growers of wool.”

Both these resolutions passed the Assembly and Senate by a unanimous vote, and were transmitted to the Senators and Members in Congress from New York by the Governor.

It is indicative of the popular feeling that they passed without dissent, when we consider that it is not probable that one in ten ever read the woolens bill referred to, or had any precise knowledge on the general subject embraced in the resolutions. The country was excited upon one of the most abstruse subjects known to political economy, without having done so much as to give the subject “a sober second thought,” if they had given it any thought at all.

But these resolutions indicate the direction in which popular opinion was setting — in favor of the farmer and the wool-grower, as much as of the manufacturer. They pointed out the ground which it was safe for a New York Member of Congress to occupy. It was a prudent position for Jackson men in that State to occupy. They indicated the chord which might be safely touched, and the music which it might be expected to produce. From this brief review, the reader will be prepared to scrutinize and understand the course of subsequent events for the

next two years. Such was the condition of things when Mr. WRIGHT entered upon his duties in Congress. His reputation for talents, industry, and many other good and useful qualities, had preceded him.

The Committee on Manufactures, though not first in rank, was then deemed of the most importance politically. It had charge of the all-important subject of the times. Rollin C. Mallory, who had been ten years in Congress, from Vermont, and an able and ardent protectionist, was made chairman of that committee. James S. Stevenson, of Pennsylvania, Lewis Condit, of New Jersey, Thomas P. Moore, of Kentucky, SILAS WRIGHT, Jr., of New York, William Stanberry, of Ohio, and William D. Martin, of South Carolina, were members of it. All petitions and papers relating to manufactures and the tariff were referred to it.


On the 31st of December, Mr. Mallory, by direction of his committee, offered the following resolution :

“ Resolved, That the Committee on Manufactures be vested with the power to send for persons and papers.”

During its discussion, Mr. WRIGHT thus addressed the House as follows :

“ Mr. WRIGHT, of New York, said that, as he had been honored with a situation on the Committee of Manufactures, he felt the more entitled to ask the indulgence of the House in offering a few statements and explanations, in reply to what had been said on the other side ; and he would first remark it was three weeks, and not four weeks, as had been said, since the members composing that committee had been announced to the House. For some days after their appointment, not a single memorial, either for or against an alteration of the present tariff of duties, had been laid before them. Then a few petitions, very briefly and generally expressed, were received from two or three States ; and if the gentlemen, who seemed to censure the committee for negligence, had had an opportunity to examine these documents, they would have found that they all had relation to what had been

denominated 'A National Convention in Pennsylvania.' Petitions of this kind were all that the committee had before them for a considerable time. When he said this, he meant officially before them, in such a manner that the committee could act upon them. He admitted, indeed, that the members of the committee had, individually, seen a pamphlet which had been freely circulated, and which had respect to the doings of that convention. But it was never officially before either House or the committee until about ten days ago. This was all the time the committee had had to deliberate on several distinct propositions submitted to them, and he might be permitted to refer to the proceedings of this House, and to its progress in business, as an answer to the imputations thrown out as to the industry of the committee. The resolution which had been this day offered had been resolved on in committee some days ago, and it was presented to the House on the very first opportunity that offered. He had been an advocate for its adoption, and he would now briefly state some of the reasons that had influenced him. It had been said that all the information, necessary to a right decision on the general subject, is already before the House and the committee. This might be true for aught he knew. His own experience in legislation had been very short, and he was unable to say what amount of knowledge might be possessed by others; but for himself, from the industry which he had been able to bring to bear within the short time allowed him (and he had examined diligently all the public documents and reports of former committees which were said to contain this species of information), he found himself still greatly at a loss and in want of much information of which the public documents were destitute. The whole subject stood in need of the exhibition of more precise detail. Two questions had been submitted to the committee; the first was, are any alterations at all, in the existing tariff, at this time necessary? It had been said that on this point the public mind had been deeply interested, and the public sentiment expressed with sufficient clearness to authorize the committee in coming to an affirmative decision. Should this be admitted, another question arose, and that was, to what extent is this alteration necessary, in order to attain the ends in view? On this question, gentlemen might



examine all the memorials of the manufacturers, all the reports of the Committee of Manufactures, as well as the executive communications (at least as far as he had been able to investigate them), and they would not discover anything to inform them whether five, eight or fifty per cent was to be added to the present rate of duties. Now, this was precisely the kind of information of which he stood in need; he meant to be understood as referring to some particular branches of manufacture, and there were others of a similar character on which other petitions might yet be presented. There were, however, some branches to which these remarks did not apply. But one chief subject on which he felt this want of information was the manufacture of woolens. The Harrisburg convention had, on this subject, proposed a series of minimums to constitute a scale of duties, which, according to their judgment, was requisite and proper for the protection of that manufacture. But had the members of that convention given to the world any facts calculated to show that the rates they proposed were such as precisely to furnish the degree of protection required, and neither to fall short or to exceed it? He could not find this in their pamphlet.

“In what situation did he stand? As a servant of the House, he was commanded to examine a certain subject, to bring his mind to a conclusion with respect to it, and report a bill for the action of the House. The House had a claim upon him for the performance of that duty, and he was unwilling to be compelled to report upon the subject when he was not in possession of the facts requisite to form a decision. If, indeed, the House should say to him, go on and do as well as you can with such lights as you have, he was perfectly willing to obey them. All he wished was to express the difficulty under which he labored in the discharge of his duty, and to ask the House to assist him. If they should be of the opinion that it was not improper to do so, he was entirely willing to proceed with such means of knowledge as were in his power.

“To the questions whether this was a novel case, and whether the power now asked resided in the House, he did not profess himself able to decide; his parliamentary experience had not been such as to enable him to do so. He would, however, sug-


gest to his colleague [Mr. Oakley], who had offered the amendment, that, as it now stood, it did not require the witness who might be summoned to bring with him any papers. Supposing, then, that the committee should send for the agent of some manufacturing establishment, for the purpose of examining him in relation to its concerns, would not the witness, in order to give precise replies, want the books of the establishment? By referring to these, his information would be rendered specific. He suggested, therefore, whether the amendment ought not to be so modified as to attain this object."

The resolution was amended, on motion of Mr. Oakley, by adding, "with a view to ascertain and report to the House such facts as may be useful to guide the judgment of this House in relation to a revision of the tariff duties on imported goods."

The resolution was thoroughly discussed, and, after being thus amended, passed, *ayes* 102, *nays* 88.

Clothed with such ample powers, the committee proceeded to take evidence. Stenographers were not then employed by committees, and the evidence was all taken down by Mr. WRIGHT, with his own hand. He drew the report presented by the chairman and the bill which accompanied it. These things involved labor from which most men would have shrunk. But he chose to perform it, as it enabled him fully to master the subject in hand.

The bill conformed, in a very great extent, to the New York platform. Mr. Mallory moved to strike out certain provisions in the bill, deemed over-advantageous to the agriculturalist and wool-grower, and insert others of a different character. Upon this motion discussion arose. Mr. WRIGHT then gave his views in a speech, which no one at the time answered, or attempted so to do. In this speech he presents the principle upon which, as a member of the committee, he acted in framing the report and bill. The following extracts will disclose the grounds upon which he stood :



“And here, sir, it is my duty to premise that it has been my object, and I believe it to have been the object of a majority of the committee, to frame a bill which should have in view the protection of the leading interests of the country. I have supposed that, in all laws having reference to the protection of the domestic industry of this country, agriculture should be considered the prominent and leading interest. This I have considered the basis upon which the other great interests rest, and to which they are to be considered as subservient. Still, this is not to be considered as entitled to protection, exclusive of the manufacturing interest. I do not believe that a law which would be injurious to manufactures would be beneficial to agriculture; but I do believe that protection to manufactures should be given with express reference to the effect upon agriculture, and that no protection can be wise, or consistent with the policy of this government, which has not for its object to add strength and vigor to this great and vital interest of the country. The same may be said of the commercial interest, as it also is only subservient to the great interests of agriculture.

“But, sir, it will be found difficult, if not impossible, to draw a bill intended to furnish general protection to the domestic industry of this country which will not, in some of its provisions, operate injuriously upon some one of the interests concerned, and in some sections of the country. One leading principle, however, which operated upon my mind in the formation of the present bill, is that it is not and cannot be the policy of this government, or of this Congress, to turn the manufacturing capital of this country to the manufacture of a raw material of a foreign country, while we do or can produce the same material in sufficient quantities ourselves.

“This I consider to be a rule of universal application, and to extend itself not only to the same raw material, but to any which shall be equally valuable, and may be substituted for the raw material imported; and I cannot suppose that, in legislating for the protection of the industry of the country, this rule should ever be lost sight of.”

Such were the views entertained by Mr. WRIGHT, which he urged upon Congress in a very elaborate speech.

He followed the views of the people of his State and district on the question of protection, without investigating or discussing the principle involved in conferring it. The principle of making agriculture the leading subject of consideration could not be questioned, although in practice our government has done little or nothing to promote its interest. In refusing to give the manufacturer of wool a preference over the wool-grower, Mr. WRIGHT acted in accordance with the wishes of a large portion of the people. He was considered one of the ablest and most fearless champions of the farmer in Congress. This led to his re-election to Congress in the fall of the year 1828.

His political adversaries manifested their chagrin at seeing Mr. WRIGHT take so prominent a part on this tariff question, and rising so far above the position assigned, in the public estimation, to their friend, Mr. Mallory, the chairman of the Committee on Manufactures. Prior to the publication of his speech in defense of the agricultural interest, the Adams newspapers attempted to ridicule his effort, and described him as a man of no importance, who resided "way up north, beyond the Chateaugay woods." The speech spoke for itself, and placed him in the front rank of wise and thinking men, and an able debater. No one had examined the questions involved with more industry or discussed them with greater ability. By common consent he was assigned a high position in Congress and among his political friends. The effort at ridicule gave place to high respect and often to sincere admiration.

Mr. Mallory failed to secure the amendment which he proposed. The bill was considerably modified in the House and essentially changed in the Senate, in which shape it finally passed, nearly all the southern members voting against it.

The bill, as finally passed, was avowedly one for the protection of growers, producers and manufacturers, and

not for revenue. The southern people called it a "bill of abominations." They conceded the right to raise revenue by imposing a tariff of duties, and that, as an incident, protection might be given ; but denied, emphatically, the right otherwise to give protection. Impost duties for the purpose of protection have long since been repudiated. Even Mr. Clay, the great champion of the "American system," declared that he would no longer sustain a tariff for protection "for the sake of protection." The true constitutional principle, as subsequently presented and defended by Mr. WRIGHT, is now almost universally admitted, but in practice is continually violated by Congress.

CHAPTER XXXII.

MR. WRIGHT AND MR. BARNARD.

The position of Mr. WRIGHT, a new member, in sustaining a bill which did not command the support of the chairman of the committee who reported it, was peculiar and embarrassing. He had to encounter not only John Davis and Isaac C. Bates, of Massachusetts, Elisha Whitteley, of Ohio, and many other experienced members, but John W. Taylor, Dudley Marvin, Daniel D. Barnard and Henry R. Stoors, among his own colleagues. Each challenged some of his positions, and was so promptly and conclusively answered as to render an effective reply impossible.

Mr. Barnard, then representing the Rochester district, took the bold ground that he was for such protection as would become "virtual prohibition." In the course of a long speech he attempted to be facetious at the expense of Mr. WRIGHT. Among other things he said :

"I understood my colleague to appeal to our patriotism for the encouragement of coarse wool, because the sheep which produces it is a native of this country. Indeed! My friend and colleague is a lawyer, and I should be glad to have him inform me how many generations removed from their merino or Saxony ancestor, introduced into this country, a flock must be before they would become naturalized in the country,—before they would become entitled to our patriotic protection equally with those

" " whose blood
Has crept through [natives] ever since the flood! "

The following caustic reply was occasioned more by the tone and manner of Mr. Barnard, than by what he is reported to have said, which was doubtless designed to

annoy and occasion ridicule. In his reply Mr. WRIGHT said :

“ But, Mr. Chairman, are we to enter upon this doctrine of monopoly ? Am I to agree that this is the only and correct stopping point in the protective system ? I had supposed that when I put the American manufacturer upon a par with the foreigner, and not only so, but left against the foreigner the whole of the expense and charges of bringing his goods to our markets, I had granted a fair protection to our manufacturer, but not that I had thereby granted him a monopoly. Such protection, and more, is furnished by the bill as reported by the committee. But, sir, it is not monopoly, and hence denunciations against that bill. Hence, too, I suppose, the arguments of the gentleman from Vermont (Mr. Mallory) have been heard against the proposition of the member from Pennsylvania (Mr. Buchanan), because that proposition will not effect the desired monopoly.

“ I must here be permitted, Mr. Chairman, to correct a misrepresentation of one of my own arguments used upon a former occasion. I was represented by my colleague (Mr. Barnard) as having urged the protection of the *native* wool of this country in preference to, if not to the exclusion of, other kinds and qualities of wool. Sir, I used no such argument. The bill makes no such provision ; nor has any such distinction been suggested by me. But the terms and language of my colleague, in making this representation, deserve a moment's notice. After he had given this turn to my argument, he informed the House that I was a lawyer, and then appealed to me in that character—and in a strain of eloquence, to which he was aided by a draft upon the poets—to inform him how far removed from the blood of the merino a sheep must be to entitle it to protection upon my principles. When at home, sir, I bear the appellation of a lawyer ; and whether my colleague intended to apply it to me here reproachfully or not, I know not ; but I have not considered a place in that respectable profession disgraceful. I have already said that my colleague misrepresented my argument. He equally mistook my information. I will assure that honorable gentleman that I have never inquired into the *degrees of blood* of sheep or

men. No part of my education has led me to these inquiries. No branch of the profession of the law which I have studied, whatever may have been the fact with my colleague, has furnished *me* with the information he asks. None of my ambition is drawn from considerations of blood, and it therefore never has been any part of my business to trace the blood of men or beasts. It never shall be any part of my business, sir, until that system of monopoly is established in this country which my colleague so ardently wishes and so loudly and so boldly calls for from this committee. When that time shall arrive, *his blood* may rate him among the monopolists. Then, too, sir, the *degrees of blood* of *my* kindred, of *my* friends, may determine whether they are to labor in the factories or be ranked among the monopolists; and then, if my honorable colleague will make this appeal to me as to the degrees of blood of these relatives and these friends, it shall be my duty carefully and accurately and distinctly to answer him."

Mr. Barnard quailed under this rebuke, so gently but forcibly given, while it greatly elevated Mr. WRIGHT in the estimation of all who heard or read it, to whatever political party they might belong. Mr. Barnard never again invited a contest with Mr. WRIGHT, by whom he had thus been so signally discomfited.

CHAPTER XXXIII.


RE-ELECTION TO CONGRESS.

In the fall of 1828, by the unanimous approval of the entire democracy of the district, Mr. WRIGHT was nominated for re-election to Congress. Parley Keyes, of Jefferson county, one of the "seventeen," was placed on the ticket with him, both avowed supporters of Gen. Jackson for the presidency. The Adams party nominated Joseph Hawkins, of Jefferson, and George Fisher, of Oswego. The candidates for electors in that district were Charles Dugan and Alvin Bronson, on the Jackson side, and Jesse Smith, of Jefferson, and Augustus Chapman, of St. Lawrence, on the Adams side. The latter were elected by a majority of 102. The contest was a sharp one, and called out much bitterness of feeling. Gen. Jackson was described by his enemies as a ferocious monster, who had, without the authority of law, hung six militia men, as well as committed other similar crimes and offenses. Coffin handbills made a conspicuous display, and sundry citizens avowed their determination, if he should be elected, to remove to Canada to get beyond his power. Although a vigorous attempt was made to arouse former prejudices against Mr. WRIGHT, they failed to have any effect adverse to him. In October, before the election, he reviewed his brigade of militia—the 149th, Twelfth Division—which included the whole of St. Lawrence and a part of Jefferson county, which brought him in contact with nearly half of the voters in the district. Free intercourse with the people not only dispelled all prejudice against him, but induced many political opponents to give him their support. His political adversaries over-acted their parts in describing him. The

reaction was advantageous to him. He was elected by a handsome majority, while the residue of the democratic ticket in the district failed. Mr. Hawkins, of the Adams ticket, was elected to Congress over Parley Keyes. Owing to blunders in the returns, by omitting the word "Junior," in several towns, a certificate of election was given to George Fisher, who took a seat in the House of Representatives. Mr. WRIGHT gave him notice, and took evidence proving that he was legally elected, which was presented to Congress and promptly acted upon. The committee to whom the petition and evidence were referred reported in favor of Mr. WRIGHT's claim to a seat, and Mr. Fisher was ousted from his, after serving eight days, from the 7th to the 15th of December, 1829. Owing to his having been appointed Comptroller of the State, Mr. WRIGHT did not take his seat, but immediately resigned. At the next election, in 1829, Jonah Sanford, of St. Lawrence, was elected to fill the vacancy, and served through the second session of the twenty-first Congress.

The result of the election in 1828 was highly gratifying to Mr. WRIGHT and his friends. It proved that, after all the efforts to crush him, he was, in his district, stronger than his party. Instead of weighing down his ticket, he had helped to lift it up, which showed that he enjoyed not only the confidence of his political friends, but the marked personal esteem of many of those belonging to the adverse party. It was his deserved personal high standing that secured his success at this election. No one then voting for him ever lived to regret it. On the contrary, all were proud of having contributed to his elevation, whenever they did so.

Mr. WRIGHT, in the fall of 1828, attended, as a delegate from St. Lawrence county, the democratic State convention at Herkimer which nominated Martin Van Buren for Governor and Enos T. Throop for Lieutenant-Governor, both of whom were elected in November.



CHAPTER XXXIV.

ELECTED COMPTROLLER.

The office of Comptroller of the State of New York, though not highest in rank, is one of very great importance. Like the Secretary of the Treasury in the federal government, he is the highest financial officer of the State, not subject to the control of even the Governor. He reports annually, direct to the Legislature, a complete statement of the funds of the State, and estimates the expenses for the ensuing year. He suggests plans for the improvement of the State revenues, settles all accounts in which the State is interested, not otherwise provided by law, and draws his warrant upon the Treasurer for payment. He is also a member of the Canal Board. Such an office is of the highest importance. It had been held by the ablest men of the State, including Gov. Marcy. Originally it was unimportant, having little authority beyond auditing accounts. Every Legislature added to its duties, until they became more numerous and diversified than those of any other officer in the State, and the Comptroller became, in fact, the principal officer, and exercised more power and political influence than even the Governor. Gov. Marcy was promoted from that office, January 21, 1829, to be one of the three judges of the Supreme Court. Upon the office becoming thus vacant, on the 27th of January, 1829, while in Congress, at Washington — he having taken his seat at the second session, which commenced December 4th, 1829 — and without any solicitation whatever on his part, Mr. WRIGHT was elected, by the unanimous vote of the democrats in the Legislature, to this important office. No higher evi-

dence could be furnished of the confidence of his political friends in his ability, sagacity and integrity. He had been in public life only five years, in which short period he had made a reputation which secured universal confidence in his fitness for this high office. His appointment was an emphatic indorsement of the financial policy presented in his canal report while in the Senate two years previous. It was a contemptuous repudiation and condemnation of charges made by political adversaries of "violated pledges." A higher compliment could not have been paid him. His financial views were well understood, and this election was designed as evidence of their approval, by the democrats in the Legislature carrying out the undoubted wishes of his political friends in the State. A more acceptable appointment could not have been made.

MR. WRIGHT TO MINET JENISON.

"ALBANY, 24th May, 1830.

"MY DEAR SIR.—Your very acceptable letter, of the 17th, was received this morning, and I have yet little time to answer it, but am now temporarily at leisure to what I have been since the last of March. Never have I found myself so near being overpowered with labor as during my late sale of lands for taxes. We are now about through, but it has thrown the ordinary business of the office so far back that our press is yet very great. I heard often from you during your illness, and sometimes feared that I should never have the pleasure of reading another of your letters. I am happy to learn that you are on the gain, and still I much fear that you need some one nearer than I am to caution you not to get well too fast. You have little constitution and must use great care in order to regain your ordinary health.

"The news from my poor brother (Plinney) is of the worst kind. A letter received on Friday last tells me that his insanity is evidently increasing upon him, and that his health is failing, and his nerves more affected. On his account I have experienced feelings and anxieties, during the last five months, of which I

have never before known anything. But I think I must give it up. Room to hope is hardly left.

“I had hoped to be at Canton during the next month, but I probably shall not. Indeed, I do not pretend as yet to fix in my own mind the time when I shall be there. The Legislature have imposed upon me the duty of investigating the expenditure of \$100,000 of public money in draining the Cayuga marshes, in the county of Cayuga, and in which great abuses are alleged to have existed. It will be so late before I can get away, that I shall have to go there before I can visit St. Lawrence.

“Do not give yourself any trouble about my little business in your hands. Yet I wish you would tell Mr. Alanson Clark, and also Mr. Holcomb and Day, that the situation of my unfortunate brother is such that it is indispensably necessary for me to gather his little property together and to put it where it can be had at any call to answer his necessities. They know it was his money I loaned to them, and I shall be very deeply disappointed when I come there if I do not get it.

“Of political news we have very little. The new party, called “the workingmen’s,” or “Fanny Wright party,” is one of the most desperate of devices of the old enemy. Among those who really understand it, the design is nothing better than to introduce at once among us the principles, and of course to follow them with the practices, of the French revolution. An equal distribution of property is avowed as the object of those who want discretion, but the great and leading point is now making by all to introduce what they call “republican equality.” This they propose to effect by a system of laws providing that all children, from infancy to maturity, shall be boarded, clothed, lodged and educated at the public expense, and that every child shall have just such board, just such clothing, just such lodging and just as much education as every other, and no more. Out of the large cities this party cannot progress any, if I do not misjudge, and in them, I think, the extravagance and absurdity of their notions will soon destroy them. In this city, the result of the special election held in the second ward, on the eighteenth, has given them a ruinous blow. You will have seen the account in *The Argus*. In New York they are already divided into three fac-

tions, with each a newspaper advocating different doctrines as the true principles of the party. It is true that Gen. Root has devised the notion of riding this hobby, and wants to be Governor any way. His late visit to New York has helped very much to destroy what little hold he had upon the good feelings of his own friends, and, I suppose, to attach him more firmly to the working men. It is also true that Bucklin and Hitchcock are foremost in the new party and in their abuse of the "regency." Root is now at Washington and Bucklin is with him ; for what object is unknown to us. Root's associates are entirely composed of men like these and the old lobby. Little is to be feared from him or them, if our friends in the country keep rational and steady.

"You will have seen the expose in *The Argus* of Spencer's great bugbear. If I do not entirely mistake the moral sense of our population, the affair will help Throop materially. Besides these subjects, there is nothing new. Anti-masonry is dying gradually. I will write again soon.

"Very sincerely your friend,

"S. WRIGHT, JR.

"MINET JENISON, Esq., Sheriff, etc."

CHAPTER XXXV.

MR. WRIGHT AS COMPTROLLER.

On receiving notice of his election to the office of Comptroller, Mr. WRIGHT resigned his seat in the House of Representatives, in the twentieth Congress, and took leave of that body and proceeded to Albany, took the oath of office and immediately entered upon his new duties. Here he found literally a mountain of labor. Although familiar with the general financial condition of the State, he had but a limited knowledge of the multifarious duties of the Comptroller's office. He immediately commenced the task before him. A perfect set of the Session Laws from 1777 were secured, and every provision relating to his office copied therefrom with his own hand. This brought all his statute duties before him in a small compass, convenient for consultation. The details were far more minute than in the Revised Statutes which not long after came into use. He was soon master of the details as well as the general duties of the office.

His new duties brought him into contact with an immense number of people, and especially with those engaged in canal transportation and other business connected with or growing out of the canals. With all such he was attentive, patient and untiring in his efforts to aid those who needed advice and assistance in the presentation and management of their business of a meritorious character. Few canal boatmen fully understood all the requirements of law and practice so as to present everything right at first. He took unwearied pains to aid all such in their business. The blessings invoked upon him for such labors were numerous and heartfelt. They all

expected justice from him, and kindness and patience in pointing them to the way and means of securing it. It was these men and their descendants and friends that came to the rescue at the election in 1844, when he carried a political weight not his own.

The statute required the Comptroller to make an annual report, at the meeting of the Legislature, concerning the previous year's business, and to propose plans for the future management and improvement of the finances of the State. This duty was performed by communicating, on the 21st of January, 1830, a full and clear statement of the business of the office during the year 1829, and a minute and clear statement of the revenues of the State and from what source derived, and the expenses of the past and those estimated for the year 1830.

An account of each of the funds belonging to the State from which revenues were derived was given, showing the items of which each consisted.

There were four important funds whose conditions he fully described. The General Fund, the School Fund, Literature Fund and the Canal Fund. All were in a flourishing condition except the first, which was substantially exhausted. In this report he proposed a plan of supplying the means necessary to place this fund upon a proper footing. The extracts which we give below clearly exhibit his views, which were emphatically opposed to the debt-contracting system.

As Comptroller, Mr. WRIGHT inflexibly adhered to the financial and canal policy expressed in his report in the Senate, on the application of David E. Evans and others, in 1827. In this first report, he not only displayed his ability as a financial officer, but his peculiar capacity to present, in a clear and lucid manner, abstruse and complicated subjects, and especially those of a financial character.

Like all his predecessors, he manifested a strong solici-

tude for the preservation of the "General Fund," mainly formed, during the administration of George Clinton, in 1791, from the sales of lands belonging to the State, which included the purchase, of Alexander Macomb, of 3,635,200 acres, at eightpence per acre. While that fund was kept intact, taxation for ordinary State purposes was not necessary. Although the income from the canals and auction and salt duties more than equaled the interest on the canal debt, these were pledged, by the Constitution of 1821, for its payment. A deficit in the income from the General Fund and all other sources, to meet the expenses of the State government, it was shown, would undoubtedly occur the next year. Mr. WRIGHT had the manly firmness to recommend a tax of one mill on the dollar on all the real and personal property in the State, to supply the deficiency in the income of the General Fund, and the balance to be employed in reimbursing that portion of the capital which had been taken from it for various purposes.

EXTRACTS FROM COMPTROLLER'S REPORT, DATED JANUARY 21,
1830.

"The Comptroller has bestowed considerable reflection upon this subject [supplying the General Fund without borrowing], and the result of his deliberation has been, that a general tax upon the real and personal property of the State, levied according to the same principles of taxation which govern the assessment and taxation of town and county taxes, will be that provision. He is fully aware that to recommend the adoption of this measure would be odious, if it had not become an imperative duty. But he feels entirely confident that any system of partial taxation, intended to produce a revenue for the ordinary support of the government in time of peace and of public and private prosperity, would be much more odious even in its recommendation, and certainly in its execution. Such a system of revenue, too, must always be an uncertain dependence, as the objects upon which it would act must be subject to the fluctuations of trade, or depend-

ent upon the tastes and pleasures and pride of certain classes of the citizens, in addition to the evasions and frauds.

“That some measure should be taken by the Legislature to meet the claims upon the treasury, without incurring a public debt for that purpose, the Comptroller cannot doubt ; and that the true interests of the State would be consulted by adopting such provisions as would preserve the remainder of the capital of the General Fund, and as might tend to restore that fund to an ability to meet the now reduced ordinary expenses of government, he can as little doubt. In these opinions he has been fully confirmed by an examination of this fund for several years past.

“A tax of one mill upon the dollar of valuation of the real and personal estate within the State would, in the opinion of the Comptroller, not only supply the existing deficiency in the revenue, and arrest the further decline of this (the general) fund after the present year, but will also contribute something to its resuscitation. He, therefore, respectfully recommends to the Legislature the imposition of such a tax. In doing this, he is but repeating the recommendation which was made from this office in 1826, and which has been continued in nearly every annual report since that time, with the single variation of the amount of tax recommended.”

The Legislature had not the courage to carry out this recommendation. They conceded that it was right and just, but they seemed to fear that their constituents would not sustain them in doing what was right and ought to be done. Mr. WRIGHT entertained no such fears.

Gov. Throop, in his message, fully indorsed Mr. WRIGHT's views.

The following extracts are from his report of 1831, in which he reiterates his opinions in his first annual communication as above given. These did not secure a more favorable result at the hands of the Legislature :

EXTRACT FROM REPORT, DATED 17TH JANUARY, 1831.

“Among the duties enjoined by the law requiring this report is that of suggesting plans for the improvement of the public revenues. That the revenues appropriated to and derivable from the General Fund require improvement, to answer the objects for which that fund has been instituted and hitherto sustained, is without question. That collections from the capital of this fund cannot be made to answer, for any considerable period, the wants of the treasury, is equally clear. The choice, therefore, of the plans for improving this branch of the public revenues would seem to be confined to two alternatives, viz., that of borrowing money, upon the credit of the State, to meet the deficiencies which may, from time to time, be found to exist in the treasury; or that of adopting some mode of taxation which shall eventually supersede the necessity of other aid to this fund. The opinions of the Comptroller upon these points, formed upon mature deliberation, and after much examination into the history and present power of the fund to produce revenue, and the plan of improvement recommended by him, and which, in his judgment, it would be wise to adopt, will be found in his last annual report to the Legislature. The detail at that time given to support his conclusions cannot now require repetition, though the facts presented may be interesting to some and are therefore respectfully referred to.

“In the recommendation then made, of imposing a general tax upon the real and personal property within the State, to be levied and collected upon the same principles which govern the assessment and collection of the ordinary town and county taxes, as a mode of supplying the treasury, and a plan of improving this branch of the public revenue far preferable to a system of borrowing money and accumulating a public debt, the fullest confidence is still entertained; and if the Comptroller be not mistaken in the belief that one of these alternatives must be adopted, he unhesitatingly recommends the former to the consideration of the Legislature.”

Mr. WRIGHT adhered to these views in his report made in 1832.

Mr. WRIGHT served as Comptroller four years, until elected a Senator of the United States. Throughout this period he adhered to his anti-debt policy, although not fully sustained by the Legislature. Notwithstanding the combinations which were formed to promote them, he never yielded his assent to the construction of the Chenango and other minor canals, at the expense of the State, when there was no reasonable prospect that they would ever pay their cost, or even pay interest upon it and keep themselves in repair. How far the democratic party yielded in 1832 to the Chenango pressure, when William L. Marcy and John Tracy were elected Governor and Lieutenant-Governor by a strong vote from the location of that canal, is not here a material question. But it is certain that Mr. WRIGHT never changed his opinions on these subjects nor yielded them his support. He lived and died opposed to unproductive and useless public works, and to the debt-contracting policy which has done so much to embarrass the State. The policy advocated by him, as State Senator, he sustained as Comptroller and vindicated when Governor. Until practically adopted by the Legislature, New York will never be free from an onerous public debt, as he often stated to his friends. Time confirms the correctness of his expectations.

MR. WRIGHT TO MINET JENISON.

“ALBANY, 15th December, 1830.

• “MY DEAR SIR. — ‘Don’t give up the ship.’ These were the words of the brave Lawrence when lying upon the deck of his vessel, shot down by the balls of the enemy, and just about to pass that ‘bourne whence no traveler returns.’ This answer I give you in the words of your own inquiry. This world is one of afflictions, we often say, and it is often true; but still we cling to it with a fondness which is too strong an evidence that it also affords us comforts and hopes as well as sorrows. That your cup must be almost full is evidently true, and I had hoped that your-

self and family would be spared further painful sickness, for the present at least. But so seems not to be the direction of events in that wise council, the motives and designs of which we can neither see nor comprehend.

“It grieves me much to learn that our friend Baldwin thought it wise or just to use his friends in the manner you describe at the election; but if he has not seen and will not see that a firm and uniform, is better than a capitions course, as well in politics as in morals; if he will not believe that a decent respect for the opinion of others, deliberately and gravely expressed, is better than the gratification of the partialities of our own minds; if he is not convinced that good faith and uniform support of his friends is the best way to induce a return of such favors, then he has not had sufficient experience, and time is still necessary to carry those convictions home to him. But it does not generally require much time, if opportunity occurs. Baldwin has still too much faith in the ability of a politician to conciliate his political enemies; but if he will look about among all the men he knows, and ask himself who they are that stand the strongest with their friends and the strongest against their enemies when they come before the public as candidates, he will himself answer that they are, without a single exception, the men who have never, upon any occasion or for any cause, wavered in the support — open, firm and active support — of their friends, their principles and their party, and who have equally uniformly, equally openly, and equally firmly and actively opposed their political enemies. If he will look for the men most respected by their political opponents, and for the men he most respects as politicians, who are opposed to him, he will find them among this class in all cases. If these facts and feelings will not decide him to act openly, firmly and decidedly with the republican party and its usages in all cases, nothing can.

“My good brother will be with you before you get this, and I presume is before this day. I hope he may feel as much at home as he did on his visit, and that his winter may be pleasant to him. You know the anxiety I feel on his account, and that you cannot do me so great a favor as the exercise of your kindness to him. I do not want him to study much and by any means confine him-

self, but to exercise and keep the mind and body free and healthful. I presume he will have some money which he will wish to loan, or so dispose of that it will earn him what it should, and he may like to take the loan Ames wishes to get. If so, I wish you would aid him to get it; and as he may not have the amount, you may make it up out of the sum Hill has paid to you, unless in your troubles you want to use it; but if you do, make use of it, or any part of it you do want. Should my brother want money let him have it, as I do not intend he shall spend at all upon his own. You need not try to send any part of this money to me; but if at any time you should wish to get it out of your hands you may loan it, if you can do so where it can certainly be had by calling for it, or you may deposit it to my credit in the Bank of Ogdensburgh, and take a certificate of deposit in my name and send that to me. But I have no want of the money and would rather you should keep it, if it does not trouble you.

“I can find no printer as yet to send you, and doubt whether I shall be able to at Wyman’s price. If I can find one I shall; but should he sell out to our opponents, I think you can have a press and printer, perhaps, quite as well. Yet I would rather he should not do so, and if he should; I hope you will see that the balance on my mortgage in your hands is paid or secured. I shall write to my brother very soon, but am greatly hurried in business.

“Most truly yours, etc.,

“SILAS WRIGHT, JR.

“MINET JENISON, Esq.”



CHAPTER XXXVI.

THE GEORGIA MISSIONARIES.

Difficulties sprang up between the State of Georgia and the Cherokee Indians, who continued to occupy lands in that State claimed by Georgia. The federal government had agreed with that State to extinguish the Indian title to these lands. By a treaty with them this was accomplished, but the Indians and some others denounced it as fraudulent and void, although confirmed by the Senate. Her Legislature had extended the laws of the State over this land, and made it penal for white men to reside there under certain circumstances. Missionaries had gone among the Indians there in violation of these laws. The authorities of the State had caused them to be indicted, tried and convicted and imprisoned under them. Many Christian people were much excited on the subject, and the course the State assumed was claimed to be wrong and was severely condemned. This question was becoming an element in the elections out of Georgia. Wishing to avoid this and to render the missionaries a service, Mr. WRIGHT interested himself in their behalf. At that time Wilson Lumpkin was Governor of Georgia. Mr. WRIGHT served in Congress with him in 1828, and knew him well. On the 18th of December, 1832, Mr. WRIGHT, together with Azariah Flagg and John A. Dix, addressed a letter to Gov. L., recommending him to pardon these missionaries. With this request he promptly complied. Had he not done so, difficulties would probably have long continued between the Indians and the State, and perhaps serious collisions occurred. In this matter Mr. WRIGHT rendered an important ser-


vice to the missionaries, Georgia and the Cherokee Indians, which gave great satisfaction throughout the country.

MR. WRIGHT TO MINET JENISON.

“ALBANY, 4th October, 1831.

“MY DEAR SIR.—Your letter was received this morning. The money you have received from Hill you will please to keep for the purpose of meeting the demand to become due to your brother. If Boynton will take it on the mortgage, you had better pay it now and save the interest; but if he will not, then make any use of it you may have occasion for until it is wanted for that purpose. The other \$100 I shall be prepared to make out at the time, as I have little hope Lemuel will make it; but if, without any unpleasant and unprofitable interference, you can induce him to make it, I am satisfied you will save him just so much; as, in his present habits, the property from which you expect it to come will certainly be squandered if it does not go to that object, and it will please me if the debt can be so much lessened. If he manifests no signs of change, the family must soon make an effort to obtain the charge of the business, or nothing will be paid, and the property will, at the same time, so depreciate as to produce inevitable ruin to them all. I do not ask this on my account, and I know the accomplishment, if not impossible, will be very difficult, but I suggest it because I believe it for their good.

“I left my brother, or rather he left me, at Middlebury, on Monday of last week, and by Saturday last you must have seen him at Canton. I dare not trust myself to speak on the subject of the four days' meeting, further than to say that if our benevolent and wise Creator delights in exhibitions of passion of any kind in His creatures, I have been mistaken in all my views of that Glorious Being; and however contrary has been my conduct, I have always designed to cherish and entertain a reverence for my God. I hope evil is not designed, though I know that evil is produced by these studied efforts to play with the violent and dangerous passions of frail mortals; and whether the pretense be religion, the abduction of William Morgan, or the electoral law,



the effect is all the same, though the motive in the operators may be very different.

“In our blessed country, as yet, we have been able to withstand these shocks of public passion, but the time has not before been when they assailed us in so many different ways, and with so formidable force, as now. Look at the conversion to anti-masonry of Mr. Wirt, the man now gravely recommended to us for the first office under the government, and say what more confident calculator upon the gullibility of free and enlightened men ever appeared before the public and claimed trust and confidence? But I must stop. Neither my time or your patience can suffer more.

“Take care of your health, and write often to me. To-morrow you make your nominations, and may a wise Power guide you to a harmonious and profitable result; for I really fear that, in addition to anti-masonry, national republicanism, United States Bank and Indian sympathy, you have to number, as an opponent, Finnyism and four-day meetings. I shall expect a letter before you get this.

“In great haste,

“Most truly your friend,

“SILAS WRIGHT, JR.

“MINET JENISON, Esq.”

CHAPTER XXXVII.

THE CHENANGO AND OTHER LATERAL CANALS.

The people of the Chenango valley and other places early sought the construction of lateral canals, claiming they would not only pay interest upon their cost, but at no distant day the expense of construction. Surveys were ordered and estimates made. Of these, the Chenango was the most important. Those interested in its construction combined with others to secure their object. They sought by various means to make everything bend to their purposes. At the session of 1829, the Legislature authorized its construction, provided the Canal Commissioners, after survey and estimate, should be of opinion that it would not cost over a million of dollars, and that for the first ten years the tolls would be equal to the interest of its cost, attendance and repairs, all of which they were required to report to the next Legislature. On the 21st of January, 1830, the Canal Commissioners, in their annual report, presented their conclusions on this subject. They said they had surveyed, examined and estimated, as required, and could not consistently with the law commence the work. They were of opinion that it would cost more than a million of dollars, and, "in regard to its revenue, it would not produce an amount of tolls, in connection with the increased tolls on the Erie canal, that would be equal to the interest of its cost and the expense of its repairs and superintendence, *or either of them.*" This report was long and able, and exhibited clearly the facts and reasons upon which their conclusions were founded.

This report was followed by one from Mr. WRIGHT, as



Comptroller, "in which," says Mr. Hammond, "in his own masterly, clear and convincing manner, with which the public are now well acquainted, he exhibited the condition of the funds of the State, and proved that the State ought not to incur any additional expenditures, without, at the same time, providing the means of defraying such expenses."

Although Mr. WRIGHT's canal and financial policy had received the approval of the people of the State, and these reports had demonstrated the impolicy of constructing the Chenango and like canals, their supporters were not deterred from pressing their applications. Mr. Francis Granger was a zealous supporter of these measures. The valley of the Chenango was democratic. If the democrats there could be induced to withhold their votes from the democratic candidates and cast them for the opposing ticket, their adversaries might triumph. In 1832 Mr. Granger became the anti-masonic candidate for Governor, and his previous support of the Chenango and other lateral canals was mainly relied upon for success. The democrats nominated William L. Marcy, of Albany, for Governor—then a United States Senator—and John Tracy, of Chenango, for Lieutenant-Governor. The nomination of Mr. Tracy seemed to satisfy the electors of this part of the State that if the democratic State ticket prevailed their local interests would not be ignored. Both were elected and a majority of the Legislature were democratic. The pressure of these canal interests, when combined, was too strong to be resisted by those who adhered to Mr. WRIGHT's policy, and, in process of time, these several lateral canals were constructed at the expense of the State. They have proved less productive than the commissioners or Mr. WRIGHT expected, and are a constant drain upon the treasury of the State, as they anticipated.

CHAPTER XXXVIII.

RE-ELECTED COMPTROLLER.

Before the expiration of his first term of three years, as Comptroller, Mr. WRIGHT was nominated, by a democratic legislative caucus, for re election. Some feeble attempt was made by those whose measures he considered it his duty to oppose, to defeat his nomination. But his acknowledged abilities and his conceded fitness for the station prevented the effort becoming successful, or even formidable. Those of his political friends who had urged the measures in question at first manifested some feeling in opposition, but such was the unshaken confidence reposed in him as a faithful and wise public servant, that all serious opposition was waived. He was nominated by a very large majority, and elected, by the unanimous vote of his political friends in the Legislature, on the 6th day of February, 1832. He was again sworn into office and entered upon his duties. His re-election was highly gratifying to the democracy in all parts of the State.

He adhered to his opinions of the true financial policy which the State ought to pursue with unwavering fidelity. They were uniformly presented with great frankness, and with such clearness that no one could easily misunderstand them. They were given at length in his annual report, made to the Legislature only two days before his election to the Senate of the United States. The following extracts show with what tenacity he adhered to principles which he deemed it wise for the State to pursue. If the Legislature had adopted and adhered to them, the State would not now owe a dollar, and its income would

be equal to the necessary expenses of the State government.

EXTRACTS FROM REPORT OF JANUARY 2, 1833.

“Thus it will appear that the whole capital of this (the General Fund) is already expended, with the exception of the above balance of \$6,810.06; although, from the fact that the credit of the State, in the shape of public stock, has been substituted for money, time is gained for the payment of the debt, and there is, from that cause only, an unexpended capital yet at liberty to contribute its income to the wants of the public treasury, amounting to \$578,310.06.

“The law makes it the duty of the Comptroller to suggest plans for the improvement and management of the public revenues, which duty he has, in every previous annual report, attempted to discharge; and he is unable to say he can, at this time, add anything to his former suggestions. So far as it has been in his power, the true situation of the finances of the State have been fairly and fully exhibited to each Legislature to which he has made a report, and his opinions of the policy to be pursued have been frankly expressed. He has never been unaware that the recommendation of a tax upon all the citizens and all the property of the State for the support of the government was a thankless duty; but he has not believed that the official obligation was less binding because the character of the recommendation was unpleasant. On the contrary, he has felt the most firm conviction that the intelligence and patriotism of the citizens of the State would induce a just appreciation of the motives which alone could draw forth such a recommendation; that their just abhorrence of a permanent public debt was even stronger than their disinclination to be temporarily taxed, and that when they should see the one alternative or the other approaching, they would demand the tax and interdict the use of their credit for the ordinary expenses of the government.

“The Comptroller owes it to himself further to say, that his previous recommendations of a light tax have been accompanied, in his own mind, at least, with the anticipation that the burthen upon the citizens would not be severe, and that the duration of

any tax would be short. He found the capital of the General Fund materially reduced, and sinking rapidly from gradual annual consumptions, but still he found that the prominent cause of the great reduction of the capital of this fund had been its ample contributions to the specific funds ; he found these funds in a healthful and flourishing condition ; the School Fund, distributing its \$100,000 annually to the common schools, and promising, from the vast resources it had drawn from the General Fund in the unappropriated lands, to be able to advance upon that dividend as rapidly as the greatest good of these most interesting establishments would require ; the Literature Fund, dispensing its \$10,000 annually to the academies of the State, and promising, from its improved revenues, a speedy increase to that useful bounty ; the Canal Fund, rising in importance, and swelling its revenues with a rapidity and certainty surpassing the most sanguine calculations of its strongest friends.

“From the two former funds nothing was to be expected in aid of the General Fund, and that they did not require further aid from it was a satisfactory conclusion. But the latter, the Canal Fund, was merely pledged to a specific purpose—to the payment of certain amounts, and, that done, was at liberty to reimburse the General Fund its liberal donations, and the long use of some of its richest revenues. To this period the Comptroller has accustomed himself to look with deep and anxious interest, and he had believed that if, by a light tax, the ordinary expenses of the government were paid, until the canal debt, the only debt the State then owed, should be discharged, the dilapidated capital of the General Fund might be effectually repaired by the receipt of its contributions to the canals, and be thus put in a situation to meet, by its revenues, the ordinary expenses of the government, without the aid of a tax. This, he believed, might be done without materially diminishing that portion of the revenues from the canals which the Legislature might be disposed to apply, when discharged from their present pledge, to the further prosecution of similar works in other sections of the State ; but he did fear that if the entire capital of the General Fund should be consumed in defraying the expenses of the government, and to postpone the time when a tax must be levied, another and

similar fund might not be instituted, and that taxation might become not only heavy in amount but permanent in duration.

“The Legislature, however, has pointed out a different policy, and that body will dictate the course for the future. Were it not made the express duty of the Comptroller to suggest plans for the improvement of the public revenues, he would here leave this topic; and certainly any suggestions he may make, seeming to conflict with the honest judgment of previous Legislatures, will be made with all possible respect for those independent representatives of the people. Unable, however, to appreciate the wisdom of the policy which is thus speedily to consume entirely a fund instituted with the institution of the State government and designed for its support, he is compelled to renew his former recommendation of a tax sufficient to support the government, to provide for the payment of the debt charged upon the General Fund, and to prevent from further diminution the capital of this fund, until the receipt of its dues from the Canal Fund shall render it equal to the demands upon it.”

These views, although clear, forcible and unanswerable, did not secure the favorable action which their wisdom demanded and sound policy required. The Legislature hesitated, talked right and acted wrong. The debt-contracting policy was attended with much less present responsibility among voters than the more wise and honest one of taxation and prompt payment. There is little labor in contracting debts, but much in their payment. It is far easier to leave a legacy of debts for our children to pay, than to delve and meet our expenses as we go along, and leave them unincumbered estates. Mr. WRIGHT's financial policy was like John Randolph's theory of becoming rich, which he said was fully developed in four monosyllables, “Pay as you go.” This is as much the best and wisest for States as it is for individuals. Thrift and debts are neither relatives nor ordinary friends. Mr. WRIGHT personally practiced upon his own financial theory throughout life.

CHAPTER XXXIX.

ELECTED TO THE SENATE OF THE UNITED STATES.

At the election in November, 1832, William L. Marcy, then representing the State of New York in the Senate of the United States, was elected Governor of the State, and soon after resigned his senatorship. This created a vacancy to be filled by the Legislature, which met on the 1st of January, 1833. Public affairs at Washington had assumed an alarming aspect. Nullification had taken deep root in South Carolina, and the tree of secession had bloomed and seemed about to produce poisonous fruits. A harvest of treason was strongly indicated. Sympathy, more or less deep, was springing up in other southern States. Resistance to the laws of Congress for the collection of duties on imports was imminent. The crisis demanded, in the councils of the nation, our wisest and most patriotic statesmen to consider and act upon it. Although then comparatively a young man, all eyes were turned to Mr. WRIGHT, as the most suitable person to fill the vacant seat in the Senate. Although the friends of the Chenango bill, against which he had, in substance, reported, did not favor it, he was nominated, and, without any agency whatever of his own, appointed by a large majority on the 4th of January, 1833.

He resigned the office of Comptroller and immediately proceeded to Washington, and, on the 14th of January, 1833, took his seat in the Senate, with Charles E. Dudley for a colleague. This brought two of the celebrated "seventeen" State Senators of 1824 together in the highest legislative body in the United States.

Mr. WRIGHT remained in the Senate—he having been

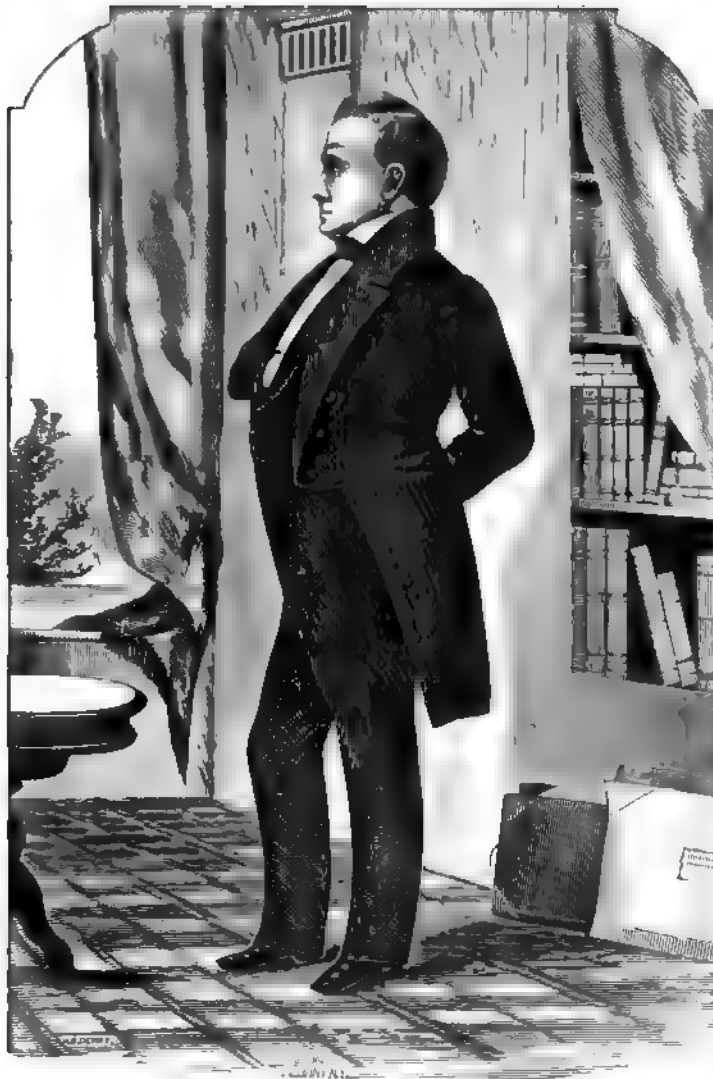
twice re-elected — until the 30th of November, 1844, a period of nearly twelve years, when he resigned in consequence of having been elected Governor of New York. Henry A. Foster was then appointed, by Gov. Bouck, to fill his place, who served until after the meeting of the Legislature, which, on the 18th of January, 1845, appointed John A. Dix to serve out Mr. WRIGHT's unexpired term — to the 3d of March, 1849. Mr. Tallmadge also resigned, having been appointed Governor of Wisconsin by President Tyler, and on the same day the Governor appointed Daniel S. Dickinson in his place, to serve until the 3d of March, 1845. On the 18th of January he was elected for a full term of six years, which he served out.

CHAPTER XL.

ENTRANCE INTO SENATE OF THE UNITED STATES.

Mr. WRIGHT entered the Senate and took the oath of office on the 14th of January, 1833. The Senate then consisted of the following members: John Holmes and Peleg Sprague, of Maine, Samuel Bell and Isaac Hill, of New Hampshire, Nathaniel Silsbee and Daniel Webster, of Massachusetts, Nehemiah R. Knight and Asher Robins, of Rhode Island, Samuel A. Foot and Gideon Tomlinson, of Connecticut, Samuel Prentiss and Horatio Seymour, of Vermont, Charles E. Dudley and SILAS WRIGHT, Jr., of New York, Mahlon Dickerson and Theodore Frelinghuysen, of New Jersey, George M. Dallas and William Wilkins, of Pennsylvania, John M. Clayton and Arnold Naudain, of Delaware, John Tyler and William C. Rives, of Virginia, Bedford Brown and Willie P. Manghim, of North Carolina, Stephen D. Miller and John C. Calhoun, of South Carolina, George M. Troup and John Forsyth, of Georgia, George M. Bibb and Henry Clay, of Kentucky, Hugh L. White and Felix Grundy, of Tennessee, Josiah S. Johnston and George A. Waggamon, of Louisiana, William Hendricks and John Tipton, of Indiana, George Poindexter and John Black, of Mississippi, Elias K. Kane and John M. Robinson, of Illinois, William R. King and Gabriel Moore, of Alabama, Thomas H. Benton and Alexander Bucknor, of Missouri.

Mr. WRIGHT, then thirty-seven years of age, was the youngest man in the Senate. He carried with him a reputation which few men acquire at that age. Although he fully appreciated, in all their aspects, the condition of our public affairs, he did not attempt to lead off in



SILAS WRIGHT IN THE U S. SENATE.

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their correction, but chose to follow the action of the experienced and venerable men by whom he was surrounded. His views in relation to the Union and its dangers were fully presented in letters published at the time in the Albany Argus, which we give in the next chapter. They attracted more attention than anything which had met the public eye. They clearly pointed out the dangers ahead and the necessity of pursuing a course which would avoid them and insure safety to the public. Until the appearance of these letters, many at the north were inclined to treat the nullification movements in South Carolina with a degree of levity and as of little public importance. Although the federal government was in the safest possible hands, with Andrew Jackson at its head, Mr. WRIGHT was not for subjecting its strength to one of those violent tests which would produce, spread and intensify the disunion feeling, if it did not end in actual civil war, with all its fearful and fatal consequences. He preferred that course of action which would allay, if it did not wholly obviate, all discontent. Such a course, eventually pursued by Congress, was sustained by his vote and met the approbation of his constituents and the American people.

CHAPTER XLI.

MR. WRIGHT'S LETTERS CONCERNING NULLIFICATION.

Upon entering the Senate of the United States, Mr. WRIGHT availed himself of every opportunity to ascertain the real condition of the nullification question at the south. The information thus obtained he communicated, in private letters, to Edwin Croswell, then editor of the Albany Argus, who published them without the signature. The following, from internal evidence, are believed to be from him. The only surviving person engaged at that time (1833) in the management and publication of The Argus is clearly of the opinion that Mr. WRIGHT was the author of both. They were then, and especially the second one, attributed to him by newspapers and the public generally, without dissent by him or his friends.

LETTER TO THE EDITOR OF THE ARGUS, DATED WASHINGTON CITY, JANUARY 16, 1833.

“DEAR SIR.—The executive message, calling on Congress for the means of executing the laws of the Union against South Carolina nullification, was received to-day, and after some debate was referred to the Committee on the Judiciary. The message is worthy of the man, the occasion and the people. Full, without prolixity, clear and distinct, it breathes the purest spirit of patriotism and expresses the most ardent devotion to rational liberty.

“With the whole subject before Congress, on that body devolves the duty to see that justice is done to the injured—that peace and the Union be maintained. Will Congress be equal to the emergency? I fear they will not be able either to reduce or equalize the taxes; and, if they cannot rise to their

duty, little should be expected of good from any measure they may adopt.

“You may not, but I consider this state of things civil war. The arms and munitions are prepared, the men on both sides enlisted, and each waits that the other may strike the first blow. Such is now the case, and this message asks only certain enactments. But let no man suppose that this is a season of peace. I do not point out the course of the future. That course is too evident. If the taxes are not reduced and equalized, there will be no peace until, as the French minister said, ‘the Russians are victorious and order reigns in Warsaw.’

“One short year since, when the present state of things was predicted, all was treated as a ‘delusion,’ a chimera; and so fast have these revolutionary events hurried on, that men suppose we are at peace in the midst of battle. And now, when they are pointed to the future, that also is too bad to be possible, and therefore is denied. Yes, the truth has become too dangerous to be uttered, and the man who dares to publish it must be abused as if he caused what he is forced to see and cannot prevent.

“Now, I repeat it, if anything wise or good or safe for the republic is done, it must be done by the people.”

The situation of public matters at the south had arrested the attention of thoughtful men at the north. A public meeting was called at Albany, after the receipt of the foregoing letter, to consider them. It was held on the 24th of January, 1833, two days after its publication. At this meeting Chief Justice Savage presided, assisted by Benjamin Knower and Jesse Buel as vice-presidents; John Townsend and Rufus H. King were secretaries.

The Committee on Resolutions consisted of James McKown, Teunis Van Vechten, John N. Quackenboss, Peter Wendell, Francis Bloodgood, Charles R. Webster and John S. Van Rensselaer.

They reported three resolutions; the first, in a gingerly manner, refused to give up the protection provided by the tariff law; the second approved Gen. Jackson’s recent message, condemning nullification and calling

upon Congress to provide the means necessary to enforce the custom-house laws throughout the United States ; the third, in substance, said to our Senators and members in Congress “do what you think best on this interesting subject.” There was not in Albany, at the time of this meeting, as much harmony of opinion on this subject as was expected. The real condition of things at the south, and the feelings and wishes of the people in the different States, were not well understood prior to the publication of Mr. WRIGHT’s letter of the twentieth of January, when a more harmonious feeling prevailed.

The Argus of the 28th of January, 1833, contains the following editorial notice, and a letter known to have been written by Mr. WRIGHT, to show his friends at Albany the real state of things at Washington and the south.

“To show that we do not exaggerate the state of things at Washington and in South Carolina, and that the republicans of this city have not acted under erroneous impressions in that respect, we venture to subjoin extracts from a letter received here on Saturday, from one in whom the people of New York have confided, and who has never betrayed and never will betray their confidence. It was not designed for publication, but the times demand that even the private views of public men should be brought out if they can be supposed to contribute to the general welfare.

“ ‘ WASHINGTON, *January 20, 1833.*

“ ‘ The state of things here is in every sense critical ; though I do not by this mean to be understood as saying that immediate indications of force, of rebellion, of civil war, or disunion have strengthened, since my former letter, in any other manner than that we are approaching the time set by South Carolina for nullification of the laws of the government, without any evidence of an intention to delay her acts or to let them remain passive.

“ ‘ Some of the soundest of the Virginia delegation seem to think that Virginia will stand firm against nullification, and that they must finally come off from the present troubles better than

indications at present would seem to promise; but they say this hope is based upon the belief that they shall be able to adjust the tariff this year, or that such strong indications will be afforded of a disposition to do it as will enable their true and well-meaning men to satisfy the people that it will be done, or something will be done by the next Congress. Without this, they say Virginia will join the south in any measure to effect it, for that their people have become as determined on it as South Carolina, and only differ by being determined to do it peaceably and constitutionally.


“ ‘Every information to be obtained here shows that Georgia is just about in the situation I have described Virginia to be; that North Carolina yet stands more firmly than either, but entertains deeply the same common feeling upon this subject; and that Alabama and Mississippi are inclining strongly to the same feeling; while I am assured that Tennessee, when her venerable patriot shall cease to hold the reins of the government, if not before, will certainly take the same side of the controversy, and with equal feeling.

“ ‘The impression of reflecting and judicious men in Virginia is, that harmony may be preserved, or at least a dangerous alternative avoided, if a proper disposition is manifested in the House of Representatives to do something at the present session, either immediately or prospectively. The same impression is entertained as to Georgia and the other States by some of their representatives; but all agree that the existing laws must be so modified as to bring the duties to the revenue standard, or that peace and quiet cannot be restored, and that disunion and division must follow any other course. When I say this, I mean to say that it is the judgment pronounced by such men as * * *

* * * of Georgia, Virginia, Alabama, North Carolina and Tennessee delegations.

“ ‘You will remark that in this enumeration I have omitted to mention the Union men of South Carolina. Upon the main question their opinions and feelings are those I have described; but as to immediate or postponed action they stand wholly in a different relation. They look upon the first of February as the period after which they are to stand by their arms, and after which they are

to enjoy the liberty and right of conscience of free citizens of this happy republic only by periling their lives for those privileges. Whether mistaken or not, they honestly expect that resistance to the revenue laws will be made ; and that, under the legislation proposed by the President in his late message, they will be called upon to enforce those laws, and that if so must meet force, the first blood must be that of citizens of their State taking the lives of each other. They are ready for this point, and are fully determined to meet the crisis manfully and patriotically ; but they say, with at least some force of reason, for what are we thus to put our lives in jeopardy, and to call upon our faithful constituents to fall by our sides ? For the enforcement of laws which we consider as unwise, as impolitic, as unjust, and as oppressive as those with whom we are called to meet in deadly combat ? The proper remedy against the oppression is the only question between us ; and about that we shed the blood of our neighbors and friends, while our common feeling for the common oppression is the same, and we, with them, would gladly unite in all constitutional measures to redress. Such appeals must reach the feelings and the heart of every man, and for that cause may warp the judgment. I, therefore, leave the reasoning and feeling of these men out of the question, in giving you the facts presented here, as to the great question, and from which our opinions and actions are, in a great degree, to be taken.' ”



CHAPTER XLII.

NULLIFICATION AND COMPROMISE MEASURES.

The tariff of 1828 is now conceded to have been more a political than revenue measure, and deeply affected the then pending presidential election. It served a purpose, though highly distasteful to the south, whose Representatives and Senators in Congress generally resisted it by their speeches and votes. Although somewhat modified by the act of 1832, its leading features remained and highly exasperated those upon whose interests it bore with a heavy hand, if not by a crushing weight. This tariff legislation, and its injustice, formed the staple of the argument used in South Carolina for exerting its power to nullify its provisions within the limits of the State. The constitutional right to do this was denied by Gen. Jackson in a proclamation of December 11, 1832, and in his message of January 16, 1833, in which he was sustained, at the time, by the entire north and west, and by a large majority of every State, except South Carolina. Congress promptly acted upon the subject at this session, at which two measures came before the Senate bearing upon the nullification question raised in South Carolina, and which Mr. WRIGHT feared might excite the sympathy of other States and involve them in sustaining its action: the revenue collection bill, often called the "force bill," a measure intended to sustain the majesty and dignity of the law, and to cause it to be fully executed, and to punish those infringing and resisting it. Mr. WRIGHT sustained and voted for this act, which was severely denounced at the south. Its leading provisions were short-lived, and died at the end of the next session of

Congress, and have never been revived. He took no part in the discussions on this bill.

The other measure, the tariff, was largely discussed. In this debate he participated. He proposed amendments, and sustained some of those presented by others. At the time of its passage Mr. WRIGHT briefly assigned the reasons why he felt it a duty to vote for it. He said:

“He rose to give, very concisely, the views which he entertained in regard to this measure. His objections to it were strong, and under any other than existing circumstances would perhaps be insurmountable. He thought the reduction too slow for the first eight years, and vastly too rapid afterwards. Again he objected to the inequality of the rule of reduction which had been adopted. It will be seen at once that on articles paying 100 per cent duty, the reduction was dangerously rapid. There was uniformity in the rule adopted by the bill as regards its operation on existing laws. The first object of the bill was to effect a compromise between the conflicting views of the friends and opponents of protection. It purports to extend relief to southern interests, and yet it enhances the duty on one of the most material articles of southern consumption — negro cloths. Again, while it increases this duty it imposes no corresponding duty on the raw material from which the fabric is made.

“Another objection arose from his mature conviction that the principle of home valuation was absurd, impracticable and of very unequal operation. The reduction on some articles of prime necessity — iron, for example — was so great and so rapid that he was perfectly satisfied that it would stop all further production before the expiration of eight years. The principle of discrimination was one of the points introduced into the discussion, and as to this, he would say that the bill did not recognize, after a limited period, the power of Congress to afford protection by discriminating duties. It provides protection for a certain limited time, but does not ultimately recognize the principle of protection. The bill proposes ultimately to reduce all articles which pay duty to the same rate of duty. This principle of revenue was

entirely unknown to our laws, and, in his opinion, was an unwarrantable innovation. Gentlemen advocating the principle and policy of free trade admit the power of Congress to lay and collect such duties as are necessary for the purposes of revenue; and to that extent they will incidentally afford protection to manufactures. He would, upon all occasions, contend that no more money should be raised from duties on imports than the government needs, and this principle he wished now to state in plain terms. He adverted to the proceedings of the free-trade convention, to show that, by a large majority (120 to 7), they recognized the constitutional power of Congress to afford incidental protection to domestic manufactures. They expressly agreed that the principle of discrimination was in consonance with the Constitution.

“Still another objection he had to the bill. It proposed on its face, and, as he thought, directly, to restrict the action of our successors. We had no power, he contended, to bind our successors. We might legislate prospectively, and a future Congress could stop the course of this prospective legislation. He had, however, no alternative but to vote for the bill, with all its defects, because it contained some provisions which the state of the country rendered indispensably necessary.

“This brought him to the consideration of the reasons which would induce him to vote for the bill. Upon what circumstances, Mr. President, are we called upon to vote for a bill thus imperfect? Is the occasion one of ordinary character, and one which can be lightly regarded? He might render himself obnoxious to the charge of legislating under the influence of fear. But are there considerations of a proper nature which operate in favor of this measure? What are they? There is, in some parts of the country, a strong and deep expression of discontent at our legislation on the subject of the tariff. These discontents, it was not to be concealed, had risen to such a height as to threaten the peace of the country and the integrity of the Union. The hostile attitude assumed by a sister State towards the country had induced us to do what we are now bound to do, and a refusal to do which would have endangered the integrity of the Union. The blow was aimed at the fiscal resources of the country — at the purse,

which was a troublesome thing to manage, though without it the government could not exist. The measure proposed would restore harmony to the country, and he believed it to be just and proper to yield much for the purpose of effecting this object. The time was come when the revenue should be reduced, even the revenue derived from protected articles. This single measure for effecting a reduction was presented to him for his acceptance or rejection, and, defective as it was in many respects, he would take it as a satisfactory concession to all that portion of the south which believed the existing laws to be unjust and oppressive.

“It was unnecessary to say that the whole country was strongly impressed with the necessity of reducing the revenue gradually to the wants of the government. It was the details of such a measure, as it was the rule by which we should reach the proper standard, upon which members of this body and the people generally differed. If no better measure than that before us would be agreed upon, he should feel it to be his duty to support it. He had now given the reasons which would induce him to vote for the bill. The principal reason was that a sister State of the Union was highly exasperated at the course of federal legislation, and was on the eve of having recourse to a desperate remedy for what she considered as her wrongs. Thinking this measure to be necessary for the peace of the country, all its defects sunk out of sight.”

After a few remarks by Mr. Bibb and Mr. Clay, and a few words from Mr. WRIGHT, the vote was finally taken upon the bill, and it passed the Senate by *ayes* 29, *nays* 16, and subsequently became a law. Mr. WRIGHT's remarks and vote met the warm concurrence of his constituents, although they were not supported by the vote of his colleague, Mr. Dudley, who was also a democrat. The vote on this and on the force bill, against which there were only seven votes,—Bibb, Calhoun, King, Mangum, Miller, Moore, Troup and Tyler,—was not one involving party fidelity. Nor was it sectional. Both democrats and whigs were divided, as were northern and southern men. Local interests and feelings, to a very considerable

extent, had their effect in occasioning many of the votes. But pure patriotism and sincere regard for the integrity of the Union controlled others, and averted the dangers which threatened it. This law was, at the time, called the "compromise act." It allayed the irritated and excited feelings of the south, and restored peace and harmony throughout the Union.

CHAPTER XLIII.

CASE OF ELISHA R. POTTER, CLAIMING A SEAT AS SENATOR
FROM RHODE ISLAND.

At the commencement of the session, in December, 1833, two persons—Elisha R. Potter and Asher Robbins—claimed a seat as Senator from Rhode Island—the former a democrat, the latter a whig. Mr. Robbins was directed to be sworn in by a strict party vote. On the second day of the session Mr. WRIGHT offered a resolution to refer the claim of Mr. Potter to a seat to a select committee. The consideration of the resolution was postponed, and on the next day, after being amended so as to require the Senate, instead of the Vice-President, to appoint the committee, it was adopted. Mr. WRIGHT resisted this change in the practice of the Senate, but was defeated by a party vote. The Senate appointed a committee, consisting of Messrs. Poindexter, Rives, WRIGHT, Sprague and Frelinghuysen. The chairman and two last-named members, making a majority, were whigs and opposed to Mr. Potter's claim to a seat. They prepared and presented a report, sustaining Mr. Robbins' claim. Mr. Rives, having been appointed Minister to France, resigned his seat. His opinions harmonized with Mr. WRIGHT's on this subject. The right of the latter to make a minority report, although fiercely resisted, was finally assented to, and he prepared and presented one, which was printed. The facts in the case were not the subject of much difference. Legal or constitutional questions were the matters in controversy. In those days the Rhode Island Legislature were elected for only half a year, and then gave place to others. Mr. Robbins

had been a Senator and his place was about to become vacant. The Legislature, a majority of whom were whigs, extended the term of their own existence, and during that extended term elected Mr. Robbins for six years, from the 3d of March, 1833. The next Legislature was democratic, and believing that the acts of the previous Legislature, under the extension, were nullities, proceeded to elect Mr. Potter to represent the State in the Senate.


The question of power of the State Legislature to extend its constitutional term of existence was the only one involved of any importance. The majority of the committee claimed that it had this power, and could and had lawfully exercised it. The minority report denied the existence of any such power, and insisted that it had not been rightfully exercised. It was conclusive upon the subject. The ability with which Mr. WRIGHT argued the question presented elevated him in the public estimation as a logician and constitutional lawyer.

The conclusions of the majority report were adopted by the vote of every whig present when it was taken. At this day no one of either party would probably seriously declare that Mr. Robbins was lawfully entitled to a seat in the Senate. At the instance of Mr. WRIGHT the Senate ordered that Mr. Potter should be paid, like other Senators, while awaiting the final action of that body. This vote was not, like the other, based upon party feelings and policy, but upon a principle recognized by both Houses of Congress — to pay those who present *prima facie* evidence of election, and act in good faith in claiming a seat.

CHAPTER XLIV.

REMOVAL OF THE DEPOSITS FROM THE UNITED STATES BANK.

The Bank of the United States was chartered in 1816, and a bill extending its charter passed both Houses of Congress in 1832, and was vetoed by President Jackson. The revenues of the government had been deposited in it at Philadelphia, and in its branches elsewhere, as far as practicable. By its charter the Secretary of the Treasury had the power to remove them and to make deposits in other places. The laws of Congress had provided a Secretary of the Treasury Department and a Treasurer, but no treasury proper. As the bank would soon expire, and ought to prepare for that event, Gen. Jackson came to the conclusion that further deposits ought not to be made in the bank, and those in it should be drawn out as the exigencies of the government might require. He announced his determination to his cabinet on the 22d of September, 1833. Roger B. Taney, appointed Secretary of the Treasury when William J. Duane, who had previously held that office, refused to perform this duty, immediately set about carrying out the President's directions. The fact of this change in the disposition of the public revenues was communicated to Congress by the President in his annual message at the commencement of the session, December 2, 1833. But the reasons for it and the details of the measure were subsequently presented in a report made by the Secretary of the Treasury. This change occasioned a violent and prolonged debate in both Houses of Congress, as well as caused severe newspaper criticisms. Many State Legislatures, and among them



that of New York, passed resolutions approving the action of the President and Secretary. Others denounced the removal as illegal or impolitic. Those passed by New York were presented to the Senate by Mr. WRIGHT, January 30, 1834. When doing so, he addressed to that body the following remarks :

“Mr. WRIGHT submitted to the Senate resolutions of the State of New York, approving of the course of the Secretary of the Treasury with regard to the removal of the deposits. Mr. W., in presenting the resolutions, addressed the Senate as follows:

“I hold in my hand, Mr. President, and am about to ask leave to present to the Senate, certain proceedings of the Legislature of my State, in which that body expresses its sentiments in regard to the removal (as it is called) of the public moneys from their deposit in the Bank of the United States, made by order of the Secretary of the Treasury; in regard to the recharter of the Bank of the United States, and in regard to the existing pressure upon the money market in some portions of the country, with its views of the character and causes of that pressure; and in which, also, the Legislature expresses its pleasure as to the course which the Representatives of the State, upon this floor, shall pursue when called to act upon these questions.


“In presenting, a few days since, the proceedings of limited portions of the people of their respective States upon the same subjects, honorable Senators took occasion, no doubt properly, to inform the Senate of the number, character and standing, political as well as personal, of those whose sentiments they laid before us; to tell us as well who they were, as who they were not. I beg the indulgence of the Senate, while, following the example set me, I detail some facts in relation to the body whose proceedings it has become my duty to present, tending to show the extent to which the proceedings themselves claim the respectful attention of Congress.

“The whole number of members allowed by the Constitution of the State of New York to its Legislature is 128 Members of Assembly and 32 Senators. The members of Assembly are

apportioned to the fifty-five counties of the State according to their respective population, and the whole territory is divided into eight districts for the election of Senators, each district having four, and electing one of the four every year. The proceedings which I am about to present were passed in the House of Assembly by a vote of 118 for, to 9 against, and in the Senate by a vote of 23 for, to 5 against them; thus showing the very unusual occurrence, that of the 160 members elected by the people to that Legislature, 155 were present and acting upon these interesting and important questions.

“But, sir, if this unexampled strength and unanimity of expression be entitled to weight, and it surely must be, while authentic evidence of public opinion is allowed an influence in our deliberations, that weight is greatly enhanced by the peculiar circumstances attending the expression. All these members of the popular branch of that Legislature, and eight of the thirty-two Senators, were elected during the first week in November last, one full month after the removal of the deposits, while the vote shows that more than thirteen to one of the members of Assembly voted for, while but one of the eight Senators thus elected voted against, the resolutions. Still, the strength of this vote, taken as an expression of public opinion, will be much increased by an examination of its territorial distribution.

“It is well known here, and throughout the country, that the extreme western district of the State of New York has been unhappily, but most severely, agitated, in consequence of an outrage several years since committed against the liberty, and probably upon the life, of a citizen. The effects of this outrage have been, not only the engendering of the most bitter domestic feuds, but the partial establishment of a geographical line of separation in feeling between that and the other sections of the State. It is, however, a source of high gratification to myself to be able to state, as I trust it will be of pleasure to liberal-minded men to learn, that this unnatural warfare of feeling is most rapidly subsiding; that the deep wounds which have been created by it, in the social relations of that otherwise highly-favored section of the State, are healing fast, and that the time is not distant when the evidence of its existence and effects will entirely



disappear. In this section of the State, however, not an expression of complaint, as to the pecuniary pressure, has been heard, and from the best advices I believe that, at this moment, its business relations of every description are in a more prosperous and easy condition than they have ever before been. Yet to the west and north-west must we look for every vote against the resolutions, and to this section alone for eleven out of the fourteen of these votes. The remaining three are, with one exception, Senators not elected at the election of November last, but in previous years, and all are located beyond the reach of the present pressure—in the agricultural, not in the commercial sections. In those portions of the State embracing our great commercial emporium (and which I think I may, without arrogance or presumption, style the commercial emporium of the United States), and the extensive cities of Hudson, Albany, Troy, Schenectady and Utica, and an almost endless number of incorporated trading towns and villages, all surrounded by a dense, intelligent and watchful population, amounting together to at least 1,800,000 souls, there was not found a single member of the popular branch of that Legislature absent from his seat, or not with cheerfulness and alacrity recording his name in favor of the resolutions. Of the 128 members composing this branch of the Legislature, it is worthy of remark that the city of New York alone elects eleven, and that every representative from that city, in either branch of the State Legislature, responds to the resolutions which I now lay before the Senate.

“Of the members of this Legislature, personally, it is not my intention to speak. The situations they hold, and their public acts, are the legitimate evidence of the capacity and respectability of the individuals. It is as the organ, upon this occasion, of this deliberative body, representing as they do 2,000,000 of freemen, nearly the one-sixth part of the entire population of the Union; a population, too, as commercial—nay, sir, I may say more commercial—and employing more capital than any other portion of the country, and collecting and paying into the national treasury full one-third of its whole revenue; a people having as deep a stake, pecuniary and otherwise, in the prosperity of this country, and as firmly and ardently devoted to its welfare as any other equal por-

tion of its citizens; it is as the organ of such a body, representing such a people, that I submit to the Senate this part of their public proceedings — that I ask to place their almost unanimous opinions as to the conduct of the President, of the Secretary of the Treasury, and of the United States Bank, upon your files, by the side of similar expressions from the States of Ohio and New Jersey; also by the side of different expressions from portions of the people from Boston and New Bedford, in Massachusetts; of Salisbury, in North Carolina, and Newark, in New Jersey, and such other expressions of opinion as are, or as may come, before the Senate upon the subjects; and at this interesting crisis in the affairs of our common country, I respectfully solicit from the Senate that consideration for these proceedings of the Legislature of my State which a liberal, just and unprejudiced estimate of the views and feelings of any respectable portion of the citizens of the country may demand, and no more.

“Here, sir, I might resume my seat, and I should do so with pleasure, were it not that a part of what I have felt to be an imperative duty upon this occasion remains to be performed.

“In presenting the proceedings of a meeting of a portion of the town of Boston, the honorable Senator from Massachusetts availed himself of the occasion to express his own views as to the existence of a public pressure, of its cause, and of the appropriate mode of relief. He went further, sir, and called upon all, and especially upon those who sustain the administration upon this floor, in relation to the change of the deposits, to give their views as to the future as well as the present posture of the pecuniary affairs of the country. As an individual, and as one considering it one of my highest duties to sustain the administration in this measure, I am ready to respond to the Senator with entire frankness; but in thus accepting his call, I must not be understood as for one moment entertaining the vain impression that opinions and views pronounced by me, here or elsewhere, will acquire any importance because they are my opinions and my views. I know well, sir, that my name carries not with it authority anywhere; but I also know that, so far as I may entertain and shall express opinions which are or which shall be found in

accordance with the enlightened public opinion of this country, so far they will be sustained, and no farther.

“Following, then, Mr. President, the example which has been set for me, I shall abstain from a discussion of controverted points, so far as that can be done, and enable me to state, unreservedly, my opinions, and to make my views intelligible.

“First, then, as to the fact of an existing pressure upon the money market : I believe that the recent extensive and sudden curtailment, by the Bank of the United States, in the facilities for credit, which had before been lavished upon the community, has caused very considerable embarrassment to those in our commercial cities, who had extended widely their moneyed operations, and who had made themselves dependent upon these facilities ; but, at the same time, I believe that these inconveniences have been, in an unimportant degree, either directly or consequentially, extended to other classes of citizens. I therefore believe, further, that the extent of the pressure has been greatly exaggerated, and that the motives for that exaggeration are to be found, primarily, in the belief that the present administration may be brought into disfavor with the people, and may be overthrown through the agency of the panic which is attempted to be gotten up ; and, secondarily, in the hope that the same panic, if successfully produced, may subserve the interests of the institution by which it has been and is to be raised.

“Secondly, as to the immediate cause of the pressure, I concur fully with the Senator from Massachusetts, that it is an error to attribute it to the mere fact of the change of the deposits. The reasons he has assigned for that opinion are sufficient. They might be amplified and enforced, but it is unnecessary upon the present occasion. Past experience, concurring facts, and the nature of the transaction, all combine to demonstrate that such a change would not necessarily draw after it such a result. I concur also with the honorable Senator [Mr. Webster] in the position that the evil complained of is to be attributed to the change which has taken place in the positions which the government, the Bank of the United States, and the State banks, have heretofore occupied relatively toward each other, and to the acts which have followed that change. These positions, as at present exist-

ing, are pronounced by the honorable Senator to be false. That the attitude which the Bank of the United States has chosen to assume towards the government and the State banks is a false position, I most cheerfully admit; but that there has been anything in the conduct of either the government or the State banks to justify or even excuse that attitude, I deny, and hope to have an opportunity to attempt to disprove. From the government directly no loans could be obtained or were expected, and it was well known that the State banks, which have been selected as the fiscal agents of the government, had extended their loans many millions, and to the utmost limit authorized by the public deposits in their vaults. It is neither shown nor pretended that the other State banks have curtailed their loans in consequence of the change of the deposits, except when the curtailments by the Bank of the United States and its branches have compelled them to do so. We have, however, record evidence from itself that the Bank of the United States has curtailed its loans, since the first day of August last, and up to the first day of December last, to the enormous amount of \$9,697,000; and all this curtailment has taken place in the entire absence of any revulsion in trade, of any scarcity in the country, or any other peculiar cause of embarrassment existing or anticipated. We need not, then, grope in the field of speculation for the cause of the present pressure. It stands before us recorded in letters and figures which cannot lie, and which leave us without excuse for misunderstanding or for affecting to misunderstand it.

“Thirdly, as to the motives for this conduct on the part of the bank, I have already said, I deny that a justifiable one is to be found either in the conduct of the government or of the State banks towards it; and I repeat the assertion. Whether or not this curtailment of its business has been rendered necessary on the part of the bank, in consequence of former mismanagement, I need not inquire, inasmuch as the bank itself, and all its friends and supporters, here and elsewhere, most strenuously deny that its present condition furnishes any necessity for increased means. I have looked carefully into the instructions originally given by the Secretary of the Treasury to the State banks in relation to the course to be pursued by them towards the Bank of the

United States, and I find there nothing to warrant an apprehension that any disposition existed on the part of the government to injure the bank, or to embarrass it in the prosecution of its lawful business. I have examined, with equal care, the instructions given in regard to the transfer drafts, and the circumstances under which they were to be and were in fact used. And these acts of the government, taken in connection with the large amount of money still left in the bank, and which, upon a different supposition, would assuredly have been also withdrawn, I hold to furnish undeniable evidence that no disposition was entertained or manifested on the part of the government to wrong this institution. The only design evinced was to exercise a legal right, reserved by the charter, to change the deposits, and to continue an uncompromising, to be sure, but constitutional opposition to the renewal of the charter of the bank. That for these constitutional and legal acts it has pleased the bank to wreak its vengeance upon the community, I neither allege nor believe; that the State banks have made the slightest hostile movement against it, neither is nor can be pretended. What, then, is the motive for this rapid curtailment? I have not the slightest doubt, Mr. President, that, in the language of the resolutions I hold in my hand, it is to be found, and found only, in an attempt of the bank, 'at a time of general prosperity, to produce pecuniary distress and alarm, and in exercising its power with a view to extort a renewal of its charter from the fears of the people.' So much for the pressure and the causes of it.

"I will now consider the remedy for the evil which the Senator proposes. Leaving the discussion of everything constitutional, political and expedient, the Senator, with his usual tact, goes directly to the matter in hand; and with the utmost confidence he tells us that the remedy is not to be found in the restoration of the deposits, but in the recharter of the present bank. Whatever else may be said of this avowal, it must, at least, be admitted that it does credit to the candor of the Senator. For myself, I thank him, and the country will thank him also. It is time, Mr. President, high time, that things should be called by their right names in relation to the depending controversy; that the veil with which it has hitherto been attempted to disguise the subject

should be torn off, and that the people should know what is the question which is, in fact, occupying the attention of Congress. This being done by the declaration of the Senate, there is reason to hope that we may hereafter be, if we have not heretofore been, aided by contributions of public sentiment, so far as the Senate may think proper to allow influences of that sort to enter into its deliberations. And, sir, I venture the prediction, that if the expressions now upon our files, or those which shall hereafter be placed there, as evidences of public sentiment, shall be examined, it will appear that the good sense and ingenuity of the Senator, in devising this remedy, have only placed him upon a level with the common opinion of the whole community as to the real question in dispute: that every paper favoring the views of the opponents of the administration has and will, expressly or impliedly, recognize the fact that the question before the public is 'bank, or no bank,' and that the real issue has that direction — not the disposition of the government deposits. A petition for recharter is a mere matter of form, which can at any time be brought forward. A few days, or even a few hours, are sufficient for that object; and we ought not to permit ourselves to doubt that such a petition will be forthcoming or not, according to the decision of this merely incidental question, now made to assume the place and importance of the real issue.

"But Mr. President, while I highly approve of the open and manly ground taken by the Senator from Massachusetts, I differ with him *toto cœlo* as to the remedy he proposes. There is no inducement which can prevail upon me to vote for the recharter of the Bank of the United States. I would oppose this bank upon the ground of its flagrant violations of the high trusts confided to it; but my objections are of a deeper and graver character. I go against this bank, and against any and every bank to be incorporated by Congress, whether to be located at Philadelphia, or New York, or anywhere else within the twenty-four independent States which compose this confederacy, upon the broad ground, which admits not of compromise, that Congress has not the power, by the Constitution, to incorporate such a bank.

"I may be over-sanguine, Mr. President, but I do most firmly

believe that, in addition to the invaluable services rendered to his country by the President of the United States, he is, under Providence, destined still to render her a greater than all, by being mainly instrumental in restoring the Constitution of the country to what it was intended to be by those who formed it, and to what it was understood to be by the people who adopted it. In relieving that sacred instrument from those constructive and implied additions under which Congress have claimed the right to place beyond the reach of the people, and without responsibility, a moneyed power, not merely dangerous to public liberty, but of a character so formidable as to set itself in open array against, and to attempt to overrule, the government of the country, I believe the high destiny is yet in store for that venerable man, of disproving the exalted compliment long since paid him by the great apostle of republicanism, 'that he had already filled the measure of his country's glory,' and that he is yet to accomplish, what neither Thomas Jefferson nor his illustrious successor could accomplish, by adding to the proof which he has so largely contributed to afford, that his country is invincible by arms, the consolatory fact that there is, at least, one spot upon earth where written constitutions are rigidly regarded. I know, sir, that this work which the President has undertaken, and upon the success of which he has, with his usual moral courage, staked the hard-earned fruits of a glorious life, is full of difficulty. I know well that it will put the fortitude and patriotism of his countrymen to the severest test; but I am happy also to know that he has, in this instance, as heretofore, put himself upon the fortitude and patriotism of a people who have never yet failed him, or any man who was himself faithful to his country in the hour of peril.


"Of the course which the State which I have the honor in part to represent here, will take in this great contest, it becomes me, forming so humble a part of its voice in the councils of the nation, and known only by the favors I have received at its hands, to speak with great diffidence. In the resolutions I now lay before the Senate it has spoken for itself upon most of the points involved. As to the others, I feel that my knowledge of the character of its people, and of the known sentiments of whole

masses of its public men, will justify me in the confident expression of an opinion that the State will sustain the executive to the utmost in this controversy ; and that I may say to those who are, and long have been, desirous to restore the Constitution, in this regard, to its true reading, ‘now’s the day and now’s the hour’ for its accomplishment. At all events, I have the right to say that I will place myself by the side of the President, to the full extent of the views I have given, and that I desire to stand or fall with my constituents, as they shall determine the result.

“I have thus responded, and I hope the Senator from Massachusetts will allow fully, to so much of his appeal. I will go on, sir, and cover the whole ground. He has asked, if you will neither recharter the present bank nor establish a new one, what will you do? As an individual, sir, and speaking for myself only, I say I will sustain the executive branch of the government, by all the legal means in my power, in the effort now making to substitute the State banks, instead of the Bank of the United States, as the fiscal agents of the government. I believe they are fully competent to the object. I am wholly unmoved by the alarms which have been sounded, either as to their insecurity or influence, or any other danger to be apprehended from their employment. I hold the steps so far taken in furtherance of this object well warranted by the Constitution and laws of the land, and I believe that the honor and best interests of the country imperiously require that they should be fully sustained by the people, and by their representatives here.

“That these views are correct, it is not, of course, my intention at this time to attempt to show. In some stage of the debate upon this great subject I hope to be able, without trespassing upon the superior claims of others, to have that opportunity.

“We have been told, and told emphatically, that things cannot remain as they are; that the powers now vested in and exercised by the Secretary of the Treasury are too broad, and that legislative aid is required. If I have not misunderstood the import of remarks, it has also been told to us that such aid will be withheld. To this I for the present only answer, that things are now, in this respect, precisely as they were before the incorporation of



the present bank; that the same powers which the Secretary of the Treasury then had he has still; that by the change of the deposits from the Bank of the United States the executive department of the government has been restored to the control over the places for the safe keeping of the public moneys which it had by law before these moneys were deposited with that institution, and that, all the law formerly existing unaltered, the only effect of the provision in the charter of the bank being to suspend their operation until the Secretary of the Treasury should order and direct that the deposits be made elsewhere than in the vaults of that bank. I further state, as my opinion of the law, that by the act of the Secretary of the Treasury ordering a change of the deposits, and by that act only, the full power of Congress over the whole subject has been restored.


. “If, then, the powers of the secretary are too broad, as the law now stands, it is the duty of Congress to restrict them; while, if the powers of the executive branch of the government are not now fully adequate to the making and executing of all needful orders, rules and regulations for the safe-keeping and convenient management of the public moneys, it is equally the duty of Congress to legislate further upon the subject. And whether Congress do or do not legislate in either case, is a matter wholly between its members and their constituents, for which the Secretary of the Treasury is in no way responsible.

“But, Mr. President, while I am prepared to give to this effort of the government—to make the State banks our fiscal agents for the safe-keeping and convenient disbursement of the public moneys—a full support and a fair experiment, any effort, come from what quarter it may, to return to a hard-money currency, so far as that can be done by the operations of the federal government and consistently with the substantial interests of the country, shall receive from me a cordial and sincere support; and no one would more heartily rejoice than myself to meet with propositions which would render such an effort in any degree practicable.

“Still, we are told by the Senator from Massachusetts that things cannot remain as they are; that unless something which, according to his views of the subject would afford relief be

done, the pressure, the distress and the agitation will continue. I have already stated the source from which, and from which alone, in my judgment, the present pressure proceeds. I have stated, also, without reserve, the object which is, in my opinion, intended to be accomplished by it. Of the correctness of my conclusions, the Senate and the country must judge. If they are, as I believe them to be, well founded, it is undoubtedly in the power of the bank to continue the pressure, and consequently the agitation of the public mind, to some extent, so long as it shall think it to be for its interest, and not incompatible with its safety to do so. It is not for me to speak as with a knowledge of its intentions in this respect, and the Senator from Massachusetts disclaims all information upon the point. I can, therefore, only state my opinion; and it is, that the bank has not entered upon this bold measure without the deepest consideration, and that it will not abandon it, the design not being accomplished, but upon the most stern necessity.

“Yet, Mr. President, I trust in God that the necessity will soon, very soon, be made manifest, by the attitude which the nation will assume toward this daring and dangerous institution. The glorious American Revolution was but resistance to moneyed power; yes, sir, to the exercise of a moneyed power, without the consent and beyond the reach of the people of this country. To this our fathers opposed a stern and uncompromising resistance. Appeals were made to their fears. Distress in their pecuniary affairs was pictured to them in colors to have deterred any but the pure spirit of patriotism and love of liberty which led them forward. Then the pictures were not imaginary, but real; the distresses were not fancy, but fact. The country was not then strong and rich and prosperous, but weak and poor and disheartened; and still their march was onward. They armed themselves upon the side of their country, and stood by their government; and when their hard and perilous services were paid in paper, worth a fortieth or sixtieth part of its nominal value, the representative of the dollar was the dollar to them, for it gave liberty to the people, and freed them from the rule of avarice. And have we, their immediate descendants, so soon lost their noble spirit? Are we to fold our arms and obey the dictates of a



moneyed power, not removed from our soil, and wielded by stronger hands, but taking root among us; a power spoken into existence by our breath and dependent upon that breath for life and being? Are our fears, our avarice, our selfish and base passions to be appealed to, and to compel us to recreate this power, when we are told that the circulation of the country is in its hands — that the institutions established by all the independent States of the confederacy are subject to its control, and exist only by its clemency — when we see it setting itself up against the government and vaunting its power, throwing from its doors our representatives placed at its board, and pronouncing them unskillful, ungenteel or incorrigible — nay, Mr. President, when it lays upon our tables in this chamber its annunciation to the public, classing the President of the United States with counterfeiters and felons, and declaring that, as kindred subjects, both should receive like treatment at its hands, — I say, sir, are we to be driven by our fears to recharter such an institution, with such evidences of its power, and of its disposition to use that power, lying before us authenticated by the bank itself? Are we to do this after the question has been referred to the people of the country, fully argued before them, and their decision pronounced against the bank, and in favor of the President, by a majority such as never before in this government marked the result of a contest at the ballot-boxes?

“Gentlemen talk of revolutions in progress. When this action shall take place in the American Congress, then, indeed, will a revolution have been accomplished — then will your Constitution have been yielded up to fear and favor, and your legislation to be the *sic volo, sic jubeo* of a bank. But, Mr. President, I do not distress myself with any such forebodings. I know the crisis will be trying, and I know, too, that the spirit and patriotism of the people will be equal to the trial. As I read the indications of public opinion, I see clearly that the true question is understood by the country, and that it is assuming an attitude towards the bank which the occasion calls for. Be assured, sir, whatever nice distinctions may be drawn here as to the share of influence which expressions of the popular will upon such a subject are entitled to from us, it is possible for that will to assume a consti-


tutional shape which the Senate cannot misunderstand, and, understanding, will not unwisely resist. The country, Mr. President, has approved of the course of the executive in his attempts to relieve us from the corrupt and corrupting power and influence of a national bank, and it will sustain him in the experiment now making to substitute the State institutions for such a fiscal agent. I have the fullest confidence in the ultimate and complete success of the trial; but should it not prove satisfactory to the country, it will then be time enough to resort to the conceded powers of Congress, or to ask from the people what, until every other experiment be fairly and fully tried, they will never grant, the power to establish a national bank."

The removal of the deposits was long agitated in the country and the subject of ardent discussion in Congress. In the Senate, Mr. Clay took the lead in condemning the removal. On the 26th of December, 1833, he offered the following resolutions and proceeded to discuss them :

"1. *Resolved*, That, by dismissing the late Secretary of the Treasury because he would not, contrary to his sense of his own duty, remove the money of the United States in deposit with the Bank of the United States and its branches, in conformity with the President's opinion, and by appointing his successor to effect such removal, which has been done, the President has assumed the exercise of a power over the treasury of the United States not granted to him by the Constitution and laws, and dangerous to the liberties of the people.

"2. *Resolved*, That the reasons assigned by the Secretary of the Treasury for the removal of the money of the United States deposited in the Bank of the United States and its branches, communicated to Congress on the third day of December, 1833, are unsatisfactory and insufficient."

A large number of Senators participated in the debate that followed, which was characterized by great ability, zeal and warmth, and often with exceeding bitterness. Mr. WRIGHT, except in an occasional explanatory remark, did not participate. Mr. Clay's attack was ably sup-



ported by Messrs. Calhoun, Clayton, Ewing, Southard, Webster and others. The action of the administration was defended with great force and ability by Messrs. Benton, Brown, Forsyth, King, of Alabama, Tallmadge, White and others.

Mr. Clay's resolutions were referred to the Committee on Finance, of which Mr. Webster was chairman, who, on the 5th of February, made a report of such length that it occupied an hour and a half to read it. The committee reported Mr. Clay's second resolution.

On the 28th of March, 1834, the resolution thus reported by the committee was adopted by the following strict party vote :

“ *Yeas* — Messrs. Bibb, Black, Calhoun, Clay, Clayton, Ewing, Frelinghuysen, Hendricks, Kent, King, of Georgia, Knight, Leigh, Mangum, Naudain, Poindexter, Porter, Prentiss, Preston, Robbins, Silsbee, Smith, Southard, Sprague, Swift, Tomlinson, Tyler, Waggaman and Webster — 28.

“ *Nays* — Messrs. Benton, Brown, Forsyth, Grundy, Hill, Kane, King, of Alabama, Linn, McKean, Moore, Morris, Robinson, Shepley, Tallmadge, Tipton, White, Wilkins and WRIGHT — 18.”

Mr. Clay then modified his first resolution so that it read as follows :

“ *Resolved*, That the President, in the late executive proceeding in relation to the public revenue, has assumed upon himself authority and power not conferred by the Constitution and laws, but in derogation of both.”

Upon which the same vote was given, except Messrs. Hendricks and King (of Georgia) changed and voted in the negative, so that it stood twenty-six affirmative and twenty negative.

This session is still distinguished by many as the “panic session.” The opponents of Gen. Jackson were in the majority in the Senate and his supporters had control in the House. The concentrated money-power of

the Bank of the United States, then struggling for a recharter, operating upon other banks, and especially those selected by the Secretary of the Treasury as depositories of the public money, and upon the business of the country, was confessedly great, and produced distress among those dependent upon bank facilities for the easy and prosperous management of their business. This distress, with much exaggeration, was claimed by the friends of the bank as occasioned by the refusal to grant a recharter and the assumed removal of the public deposits. This was strenuously denied by the opponents of that institution. They claimed that the distress was mostly imaginary, or grossly magnified; that, as far as it existed, it was occasioned by the expansions and sudden contractions of the bank and institutions acting under its control, or in concert with it; in a word, that it was the result of the labors of politicians struggling for the ascendancy and control of the government. Petitions for the restoration of the deposits and the recharter of the bank, and remonstrances against both, were presented in Congress, with thousands of names and many rods long, without changing a vote in either House of Congress, and few, if any, in the country. Soon each House contained a majority sustaining Gen. Jackson's views, and these questions gave place to those deemed equally important and vital to the welfare of the country. The bank was soon so far forgotten that its great friend, Mr. Webster, spoke of it as an "obsolete idea," and was so considered for some thirty years.

SPEECH OF MR. WRIGHT, IN EXECUTIVE SESSION,
DELIVERED 27TH OF FEBRUARY, 1834.

Under the charter of the Bank of the United States a certain portion of the directors were to be appointed by the President of the United States, with the consent of the Senate, to represent the government's stock, amount-

ing to one-seventh. These directors had reported certain of the acts of the majority of their brethren and the officers of the bank, which Gen. Jackson and his friends loudly condemned. He renominated them to fill their own vacancies. The friends of the bank opposed their confirmation and they were rejected. During the discussion, Mr. WRIGHT addressed the Senate in the following terms, which he carefully reported with his own hand. The debates, being in secret session, have never been reported and published. This remarkable effort of the young Senator, which accidentally came into the hands of the author since Mr. WRIGHT's death, gives all that can now be ascertained of that great debate. It is a valuable chapter of the history of those times.

The Senate being in executive session, and the nominations by the President of Peter Wager, Henry D. Gilpin, John T. Sullivan and Hugh McEldery, as directors of the Bank of the United States, being under consideration, Mr. WRIGHT said:

“These nominations had, on a previous day, been laid over upon his motion; that his object then was to present to the Senate the views which would govern his vote; that he now proposed to perform that duty, though he feared it would be done tediously to the Senate, and he was sure it would be so to himself.

“Before he proceeded, however, with what he considered the main argument, as applicable to the question, he would make a few preliminary remarks in reference to the individuals who were in nomination and in answer to suggestions which had fallen from several members of the Senate upon former days when these nominations had been under consideration. He believed that the Senate had ordered that the question upon each nomination should be separately taken; but if he should be in order he proposed, as to their official conduct, to consider them all collectively, and therefore he would, at present, take the individual notice which he had indicated.

“Mr. Wager stands first upon the list, and his recollection was

that upon a former day, while all admitted that he was a careful, prudent and discreet business man, who had accumulated a fortune by his own exertions, it was objected by the Senator from Ohio [Mr. Ewing] that he was not a man of superior intelligence, and therefore was not as perfectly qualified for a directorship in this bank as some men might be. He did not, however, at the time, nor did he now, suppose that the Senator intended that any objection of this description would justify the Senate in the rejection of the nomination. He rather supposed the remark thrown out, in the freedom of these debates, to inform the Senate fully as to the individual than to influence its action. No objection, other than to his official conduct, had met his hearing against Mr. Wager.

“Mr. Gilpin stands next, and all admitted that he was a man of the first respectability, of more than ordinary talents, and in every way well qualified to perform the duties of the office, and the only personal objection which had been made to him had come from the Senator from Kentucky [Mr. Clay], which was that he now held an office from the government, and that it was wrong in principle to duplicate offices. He, Mr. W., believed it was true that when Mr. Gilpin was first appointed a director of the bank, by the President and Senate, he held the office of district attorney for the eastern district of Pennsylvania, and he believed that he still held the same office. Yet he could not see the force of this objection, as applicable to the office now about to be conferred. The duties of a director of the bank were highly responsible, arduous and undesirable, and no compensation whatever was allowed for their performance, unless it was such a compensation as he hoped no director appointed by the government would ever receive, that of pecuniary accommodations from the bank. It, therefore, appeared to him not only not to be objectionable, but to be proper, to devolve these duties upon a person holding a lucrative office under the government, when that could be done, and the services of a competent and faithful director be thus secured. This would enable the person appointed to attend to the duties without suffering from the patronage bestowed upon him, and without being compelled to accept of the accommodations

of the bank in return for his time and services. He conceded that the practice of multiplying offices in the same hands, as a general rule, was bad ; but he also believed, that like all other general rules, there were proper exceptions, and that the case under consideration was one. He would not, therefore, believe that the action of the Senate upon Mr. Gilpin's nomination would be influenced by this objection.

“Mr. Sullivan's name was found next upon the list, and as to him undefined personal objections had been made, but he could not suppose that gentlemen who made the suggestions either intended or expected that suggestions so vague should influence the minds of those members of the Senate, who, like himself, were wholly and entirely ignorant of the facts upon which the exceptions rested, or what were the accusations alluded to. For himself, he could never permit vague and undefined suggestions, unfavorable to the private character of an individual, to influence his action there ; that he must have the charges specified, the delinquencies fully set out and the proofs exhibited, before he could pass sentence of condemnation upon the candidate presented for his vote. That had not been done as to Mr. Sullivan, nor did any Senator seem willing to do it. He did not undertake to say that the objections were not sufficient to govern the action of those who knew the facts, had seen and examined the proofs and applied them to the charges ; but he did say that they would not ask that he should be thus influenced, while he was in perfect ignorance both as to the charges and the proofs. So far from it, he had, since the suggestions were made, entered into some inquiry among the acquaintances of this candidate, and he could not find any one who would admit his character to be bad. He had found one, an honorable member of the House of Representatives, who had authorized him to say that Mr. Sullivan had been elected by the people of Philadelphia a member of the common council (he believed it was called) of the city, since he had held the office of a government director of the bank. In that, the place of his residence, such was the evidence as to his character and worth. He therefore felt fully authorized to assume that the action of the Senate upon the nomination of this individual could not be governed by anything appearing before it of

a personal character. Of Mr. McEldery, the remaining director in nomination, he had heard nothing from any quarter, other than complaints as to the manner in which he had discharged his duties as a director for the last year.

“He therefore supposed himself fully authorized to consider the position established, that the action of the Senate upon these nominations was to be governed solely by its judgment as to the official conduct of these gentlemen in the discharge of their duties during their former term; and he felt the more strongly assured that he could not be in error in this conclusion, because all these individuals had been presented to the Senate one year ago, and had met its approbation, and because the Senate had, but a few days ago, refused to inquire into the character of these candidates.

“Entertaining these impressions, he would proceed to inquire into the official charges upon which the rejection by the Senate of the nominations, if made at all, must rest. The first was that these directors had mistaken their character and relations and duties; that they had considered themselves as officers of the government, when, in fact, they were but directors of the bank. He would inquire how far these persons were mistaken upon this point, and whether the mistake did not lay upon the other side altogether. Sir, said he, these directors receive their appointment from the President, by and with the advice and consent of the Senate, and if we refer to the Constitution we shall see what persons can be so appointed. The second clause of the second section of article two of the Constitution of the United States, giving the powers and duties of the President of the United States, says: ‘And he shall nominate, and by and with the advice and consent of the Senate shall appoint, ambassadors, other public ministers and consuls, judges of the Supreme Court, *and all other officers of the United States*, whose appointments are not herein otherwise provided for, *and which shall be established by law*. But the Congress may, by law, vest the appointment of such *inferior* officers as they think proper in the President alone, in the courts of law or in the heads of departments.’

“Congress, said Mr. W., has by law established the office, but the Constitution determines the mode of appointment and the

character of the offices. It proves that these directors are 'officers of the United States,' for no others can be appointed by the President and Senate. But, again, said Mr. W., Congress did not consider these 'inferior' officers, whose appointments could be properly conferred upon the President alone, or upon the heads of departments. It retained the power over their appointments in the President and Senate, and thus declared them superior officers (I speak only as to the importance and responsibility of the offices), and to be appointed as all such officers are appointed. Have, then, these gentlemen made a mistake in supposing that they were 'officers of the United States?' It would seem to him they had not, but that they had taken the clear constitutional view of their positions and relations to the government; and if they had appeared to feel proud, or even vain of their distinctions, gentlemen surely would not impute this to them as a crime, for which they should feel the heavy condemnatory sentence of that body. They were as much public officers of the government as we who act upon their nominations; nor would they be found alone in entertaining a just pride at their elevation; and even if it shall be determined that they have been mistaken in this impression as to their true official character, there is certainly ground to believe that the mistake was honestly made, when it is seen that a large portion of the Senate, after careful examination, entertain the firm opinion that they were not mistaken. But, sir, said Mr. W., with these views as to the offices they held, these directors further supposed that they were, equally with the other directors of the bank, charged with the safe and careful management of the affairs of the bank generally, and that, as 'officers of the United States,' they were charged with the interests of the government in that institution especially. In this, too, it is said they have been mistaken. What is the correct conclusion? The United States hold \$7,000,000 of the stock of this bank, and during the last year, while these individuals have been the government directors, the public deposits have frequently amounted to a much larger sum. This is an immense interest in a single bank, and were these public 'officers of the United States' especially charged with its safe-keeping, prudent management and proper expenditure?

For what other purpose are they appointed by the government, and for what other purpose are they placed at the board of direction of that bank? Will gentlemen tell us that these officers are so appointed for the sole purpose of sitting with their colleagues, and giving their votes and action as the inclinations of the directors appointed by the stockholders shall dictate? Sir, if that were their only duty, why were not all the directors left to be appointed by the individual stockholders of the bank? Where was the utility of making this distinction in the mode of appointment of persons who were to act together, and whose duties and responsibilities were to be exactly the same? Is it not plain that the government did not intend to embark its large interests in this institution without directors appointed by itself to overlook and guard those interests? Sir, but one answer can be given to these inquiries.

“In the discharge of their duties, thus understood, these directors have attempted to prevent the expenditure of the money of the bank, and especially of that portion of those moneys which belonged to the public, for objects which they thought improper. The people are interested to the amount of one-fifth in all the profits of the bank, and all expenditures from those profits are, so far as one-fifth, expenditures of the money of the people. The government directors, therefore, considered it their particular duty so far to inquire into these expenditures as to enable them to determine the character and propriety of the payments made.

“Proceeding in these inquiries, they found that a power, in extent equal to the whole means of the bank, and in practice wholly without accountability, had been, by the board of directors, placed in the hands of the president of the bank, to expend money for printing and other purposes. For proof of this fact reference is made to the communication made to the public by the bank itself, which communication has been laid upon the tables of the Senators. Mr. W. said he read from pages 38 and 39 of that book, and the language was as follows:

“On the 30th November, 1830,

““The president submitted to the board a copy of an article on *Banks and Currency*, just published in the *American Quarterly Review* of this city, containing a favorable notice of this institution, and suggested the expedi-

ency of making the views of the author more extensively known to the public than they can be by means of the subscription list ; whereupon it was, on motion,

“ ‘ *Resolved*, That the president be authorized to take such measures in regard to the circulation of the contents of the said article, either in the whole or in part, as he may deem most for the interest of the bank.’ ”

“ On the 11th of March, 1831,

“ ‘ The president stated to the board that, in consequence of the general desire expressed by the directors at one of their meetings of the last year, subsequent to the adjournment of Congress, and a verbal understanding with the board, measures had been taken by him, in the course of that year, for printing numerous copies of the reports of Gen. Smith and Mr. McDuffie, on the subject of this bank, and for widely disseminating their contents through the United States ; and that he had since, by virtue of the authority given him by a resolution of this board, adopted on the 30th day of November last, caused a large edition of Mr. Gallatin’s Essay on Banks and Currency to be published and circulated in like manner, at the expense of the bank. He suggested, at the same time, the expediency and propriety of extending still more widely a knowledge of the concerns of this institution, by means of the republication of other valuable articles, which had issued from the daily and periodical press.

“ ‘ Whereupon, it was, on motion,

“ ‘ *Resolved*, That the president is hereby authorized to cause to be prepared and circulated such documents and papers as *may communicate to the people information in regard to the nature and operations of the bank.*’ ”

“ And, finally, on the 16th of August, 1833, the following resolution :

“ ‘ *Resolved*, That the board have confidence in the wisdom and integrity of the president, and in the propriety of the resolutions of the 30th of November, 1830, and 11th March, 1831, and entertain a full conviction of the necessity of a renewed attention to the objects of the resolutions ; and that the president be authorized and requested to continue his exertions for the promotion of said objects.’ ”

“ This, sir, said Mr. W., is the authority conferred upon the president of the bank, as given to the public by the bank itself. No room, therefore, is left to doubt the fact stated by the government directors. They discovered the existence of the two first resolutions, in the course of the discharge of their duties as directors of the bank, and they also discovered that the president was proceeding to expend large sums of money under them. They

thought it their duty to remonstrate, and they did remonstrate against the expenditures and against the existence of such a power in the hands of any officer of the bank. Sir, did they do this disrespectfully, or in any manner improperly? They made their remonstrances to the board of directors of the bank, at a regular meeting, by offering, for the adoption of that board, the following proceedings :

“ ‘Whereas it appears, by the expense account of the bank for the years 1831 and 1832, that upwards of \$80,000 were expended and charged under the head of stationery and printing, during that period; that a large portion of this was paid to the proprietors of newspapers and periodical journals, and for the printing, distribution and postage of immense numbers of newspapers and pamphlets; and that about \$20,000 were expended, under the resolutions of 30th November, 1830, and 11th March, 1831, without any account of the manner in which or the persons to whom the same were disbursed.

“ ‘And whereas it is expedient and proper that the particulars of an expenditure so large and unusual, which can now be ascertained only by the examination of numerous bills and receipts, should be so stated as to be readily submitted to and examined by the board of directors and the stockholders.

“ ‘*Resolved*, That the cashier furnish to the board, at as early a day as possible, a full and particular statement of all these expenditures, designating the sums of money paid to each person, the quantity and names of the documents printed by him, and his charges for the distribution and postage of the same ; together with as full a statement as may be of the expenditures on orders, under the resolutions of 30th November, 1830, and 11th March, 1831.

“ ‘That he ascertain whether expenditures of the same character have been made at any of the offices, and, if so, procure similar statements thereof, with the authority on which they were made.

“ ‘That the said resolutions be rescinded, and no further expenditures be made under the same.’

“Among other objections coming from the directors who had consented to confer this dangerous power upon the president of the bank was that of an implied disrespect towards that officer, and almost as soon as the proposed proceedings had been read a substitute for the whole was offered, in the following form:

“ ‘*Resolved*, That the board have confidence in the wisdom and integrity of the president, and in the propriety of the resolutions of the 30th of November, 1830, and 11th of March, 1831, and entertain a full conviction

of the necessity of a renewed attention to the object of those resolutions, and that the president be authorized and requested to continue his exertions for the promotion of that object.'

"This substitute being evidently acceptable to the majority of the board and about to be adopted, the government directors, still desirous to learn the character of the expenditures which had been made under the resolutions of November, 1830, and March, 1831, and to put an end to similar expenditures in future, and to the existence of such a power in the hands of any single officer of the bank, proposed the following in place of the substitute, and also in place of the original proceedings offered by them :

"*Resolved*, That while this board repose entire confidence in the integrity of the president, they respectfully request him to cause the particulars of the expenditures made under the resolutions of the 30th of November, 1830, and 11th of March, 1831, to be so stated that the same may be readily submitted to and examined by the board of directors and the stockholders.

"*Resolved*, That the said resolutions be rescinded, and no further expenditures made under the same.'

"These resolutions were promptly rejected; the substitute, conferring still broader powers upon the president of the bank, and urging him to still further and larger expenditures, was adopted, and the original proceedings offered by the government directors and asking for a statement of the expenditures which had been made, and for a repeal of the resolutions, were thus shut out and refused. Here, then, the words of the bank itself show what was the official conduct of these candidates, and the Senate and the public must judge whether it furnishes cause for their rejection when again nominated by the President to those offices.

"But again, said Mr. W., these directors found that large sums of money had been expended by the president of the bank, under these resolutions, and of this they complained. That the fact was as they supposed and have stated to the President, I refer, for proof, to the communication, before spoken of, made to the public by the bank itself. In that communication those expenditures, for the years 1830, 1831, 1832 and 1833, are classified as follows:

“ ‘For printing and circulating reports to Congress:

| | |
|-------------|--------------------|
| 1880 | \$5,085 67 |
| 1881 | 2,650 97 |
| 1882 | 4,395 63 |
| 1883 | 0,000 00 |
| | <u>\$12,132 27</u> |

“ ‘For printing and circulating speeches in Congress, *and other miscellaneous publications* :

| | |
|------------|--------------------|
| 1880 | \$2,291 47 |
| 1881 | 19,057 56 |
| 1882 | 22,183 74 |
| 1883 | 2,600 00 |
| | <u>\$46,132 77</u> |

“ This is the statement of the expenditures under these resolutions, made by the bank itself, said Mr. W., and I will soon show the Senate for what purposes a large portion of the money was paid. Another large portion will appear to have been paid upon orders from the president of the bank without any other voucher, and, therefore, even directors of the bank cannot tell to whom or for what purpose the expenditures were incurred. The one-fifth of all these sums being money of the people, the directors appointed by the government considered it their duty to learn the character and objects of the payments, that they might know whether the public moneys in the bank, and under their immediate charge, as officers of the government, were properly expended, and for proper purposes. They did examine, as far as the vouchers and papers on file with the bank would enable them to do so; and as to those payments, the objects of which were not shown by these papers, they respectfully asked from the board of directors, as we have just seen, that the proper officers of the bank might be directed to make a statement showing the facts. In this request they were refused by the board of directors, and accompanying that refusal was an enlarged authority to the president of the bank to increase these expenditures.

“ The directors allege that their examination satisfied them that these expenditures had been made for political objects, and

for printing matter calculated and designed to influence the elections of officers of the government. To sustain themselves in the correctness of this conclusion they make the following statement of the character and objects of these payments, so far as those facts were shown from the vouchers on file ; and of the amount of those payments, the character and objects of which were not shown, but which had been made upon the order of the president of the bank without vouchers. In their letter to the President of the United States, of the 19th August, 1833, and commencing with the expenditures of the first half of the year 1831, they say :

“ ‘ Among other sums was one of \$7,801, stated to be paid on orders of the president, under the resolution of 11th March, 1831, and the orders themselves were the only vouchers of the expenditure which we found on file — some of the orders, to the amount of about \$1,800, stated that the expenditure was for distributing Gen. Smith’s and Mr. McDuffie’s reports and Mr. Gallatin’s pamphlet ; but the rest stated generally that it was made under the resolution of the 11th of March, 1831.

“ ‘ There were also numerous bills and receipts for expenditures to individuals, among them of Gales & Seaton, \$1,300, for distributing Mr. Gallatin’s pamphlet ; of William Fry, for Garden & Thompson, \$1,675.75, for 5,000 copies of Gen. Smith’s and Mr. McDuffie’s reports, etc. ; of Jasper Harding, \$440, for 11,000 extra papers ; of the American Sentinel, \$125.74, for printing, folding, packing and postages of 3,000 extras ; of William Fry, \$1,830.27, for upwards of 50,000 copies of the National Gazette and supplements, containing addresses to members of the State Legislatures, review of Mr. Benton’s speech, abstracts of Mr. Gallatin’s article from the American Quarterly Review, and editorial article on the project of a treasury bank ; of James Wilson, \$1,447.75, for 25,000 copies of the reports of Mr. McDuffie and Mr. Smith, and for 25,000 copies of the address to members of the State Legislatures, agreeably to order, and letters from John Sergeant, Esq. ; and of Carey & Lea, \$2,850, for 10,000 copies of Gallatin on banking, and 2,000 copies of Professor Tucker’s article.

“ ‘ During the second half year of 1831, the item of stationery and printing was \$13,224.87, of which \$5,010 were paid on orders of the president, and stated generally to be under the resolution of 11th of March, 1831, and other sums were paid to individuals, as in the previous accounts, for printing and distributing documents.

“ ‘ During the first half year of 1832, the item of stationery and printing was \$12,134.16, of which \$2,150 are stated to have been paid on orders of the president, under the resolution of 11th of March, 1831. There are also various individual payments, of which we noticed \$106.38 to Hunt, Tardiff

& Co., for 1,000 copies of a review of Mr. Benton's speech; \$200 for 1,000 extra copies of the Saturday Courier; \$1,176 to Gales & Seaton, for 20,000 copies of "a pamphlet concerning the bank," and 6,000 copies of the minority report relative to the bank; and \$1,800 to Matthew St. Clair Clarke, for "300 copies of Clarke & Hall's bank book."

"During the last half year of 1832, the item of stationery and printing rose to \$26,543.72, of which \$6,350 are stated to have been paid on orders of the president, under the resolution of 11th March, 1831. Among the specified charges we observe \$821.78 to Jasper Harding, for printing a review of the veto; \$1,371.04 to E. Olmstead, for 4,000 copies of Mr. Ewing's speech, bank documents and review of the veto; \$4,106.13 to William Fry, for 63,000 copies of Mr. Webster's speech, Mr. Adams's and Mr. McDuffie's reports, and the majority and minority reports; \$295 for 14,000 extras of the "Protector," containing bank documents; \$2,583.50 to Mr. Riddle, for printing and distributing reports, Mr. Webster's speech, etc.; \$150.12 to Mr. Finnall, for printing the speeches of Messrs. Clay, Ewing and Smith, and Mr. Adams's report; \$1,512.75 to Mr. Clarke, for printing Mr. Webster's speech and articles on the veto; and \$2,422.65 to Mr. Hale, for 52,500 copies of Mr. Webster's speech. There is also a charge of \$4,040, paid on orders of the president, stating that it is for expenses in measures for protecting the bank against a run on the western branches.

"During the first half year of 1833, the item of stationery and printing was \$9,093.59, of which \$2,600 are stated to have been on orders of the president, under the resolution of the 11th March, 1831. There is also a charge of Messrs Gales & Seaton of \$800, for printing the report of the Exchange Committee.'

"Does the Senate require stronger proof that this printing was political, and designed to affect the pending presidential election? Look at the *extra newspapers*, the editions of speeches, and, to any one who recollects the history of the last four years, the proof is demonstration. 'Articles on the project of a treasury bank,' 'pamphlets concerning the bank,' 'reviews of the veto,' 'reviews of Mr. Benton's speech,' and other similar publications, mark, too strongly, the character of this printing to permit a doubt to exist in any mind as to the correctness of the opinion upon the subject entertained and expressed by the government directors. Were they, then, wrong in complaining of these expenditures—in asking an account of these, where the objects of the payments were not shown by the papers of the bank—in proposing to the board of directors to rescind resolutions under which the money of the people had been paid for purposes such

as those which they name? And are their nominations to be rejected for this part of their official conduct?

“But, Mr. President, said Mr. W., these gentlemen further complain that, in the course of the discharge of their official duties as directors of the Bank of the United States, they found that a large and important portion of the business of the bank was not managed by the board of directors, as the affairs of the bank are by the charter required to be managed, but by a small committee of directors appointed by the president of the bank. They further state that this committee was appointed and acted in direct violation of the established by-laws of the bank, and that upon both grounds they remonstrated against this mode of managing the affairs of the bank, as being a violation of the charter and of the long-established by-laws. In speaking of the proceedings of the board of directors upon this subject, in their memorial laid before Congress at its present session, at page thirteen of the printed copy from which I read, they state the following facts :

“ ‘Our remonstrances, however, were not without effect. They led to a determination on the part of the majority to give some sanction to their course, by adopting new rules and abolishing those long in existence. A new set of by-laws was prepared in accordance with the actual practice. They were submitted to the board in the month of April last. When they were under consideration, we requested “that the standing committees might be appointed from the board in rotation” — this was rejected, and the president was authorized himself to select the two of most importance, that on the offices and that on exchange. We then requested that the powers of the Committee on Exchange “might not be extended to the business of discounts” — this too was rejected. Desirous that, if these powers were thus to be exercised by a committee selected by the president, the other directors might at least be regularly informed of its proceedings, we then requested that they “should lay before the board, at every stated meeting, a statement of their proceedings, which should be read before the discounts of the day were settled” — this too was rejected. All these being refused, we requested that, among the business of the day, the board might have submitted and read to it a “report of the *final* proceedings of the committee,” since the previous stated meeting — this too was rejected. In a word, the system of late years acted upon was formally sanctioned by a majority of the board. It is now a portion of its by-laws, as before it was of its practice.’

“These facts are not denied or controverted in the communications coming from the board of directors, nor have they been denied here or elsewhere to my knowledge, while, if true, they show conclusively a change of the by-laws of the bank to conform them to the practice in respect to this committee; and, also, that this committee does make discounts and do other important business of the bank, and that its proceedings are not now required to be laid before the board of directors.

“The government directors further state that all of them have been wholly excluded from this committee. I will not trouble the Senate with proof of the truth of this assertion, inasmuch as it is not only stated by these directors, but is admitted in terms by the communication from the bank itself from which I have before read. They complained of this fact as putting it out of their power to understand the manner in which that portion of the business of the bank intrusted to the management of this committee was managed, and therefore whether the interests of the institution, as a whole, and especially the interests of the government in it, were in a safe state and properly conducted. Has this been their offense, and are they to meet the rejection of the Senate on account of this part of their official conduct?

“Mr. W. said rumors had reached the President of the United States of these instances of bad management of the affairs of the bank and of this system of improper expenditures, and he, as the chief executive officer of the government, and bound officially to look to the public interests in every quarter, had written his letter of the 14th April, 1833, to these directors, asking merely their personal information, derived in the course of the discharge of their official duties, upon the subjects to which his letter referred. These gentlemen answered the letter respectfully, and gave their personal information upon the matters inquired after. This transaction has been denounced as an assumption and usurpation of power on the part of the President, and as dishonorable and a violation of duty and trust on the part of the government directors. To him, Mr. W. said, either denunciation appeared equally unjust and unmerited. He would give the plain practical view of the transaction. The people are stockholders in the bank to the amount of \$7,000,000, and depositors to an average


amount still greater. The President, as the first officer of the government, holding his office from the people, and bound to guard their interests, hears rumors of mismanagement in administering the affairs of the bank. He writes to the directors appointed by the government, and responsible to it, for the facts. They give them, so far as they are within their knowledge, derived from the discharge of their official duties as directors of the bank. They tell the truth, and not a fact stated by them is contradicted by the bank itself. Does this view of the case justify the denunciations we have heard? Suppose the President had addressed in the same manner the other directors of the bank, would it have been called usurpation—an assumption of power? Suppose he had addressed the president of the bank, who is also a director, would it have been contended that he had not a right so to do? Suppose this information had come from that officer of the bank, would he have been accused of violation of duty, of breach of trust, of dishonorable conduct? Would it not have been admitted by all that he had discharged an imperative duty, and that the information was such as every director of that bank was bound to give to the stockholder, if he found himself unable to correct these practices and check these expenditures by an appeal to the board of directors? If such would have been the conclusions in the supposed cases, how much more forcible are they when the transactions are between ‘officers of the United States,’ all charged with important public interests, and all responsible to the public for the faithful discharge of their trusts! And if the President had a right to address any of the directors of the bank for this information, how much more clearly had he the right, and how much more clearly it was his duty, to address those who were responsible to the government and not to the bank for the places they held! If the president of the bank or any of the directors of the bank were bound, as an official duty, to communicate this information to the stockholders, when they found themselves unable to check the abuses, how much more strongly was it the duty of the government directors to give it to the President of the United States, the representative of the people who held one-fifth part of the whole stock, and an equal or greater amount of

deposits in the bank, when officially demanded ! Are these men, then, to be pronounced unworthy by the Senate for this act ? Is this the official conduct for which we are called upon to condemn them ?

“ These directors, said Mr. W., are further accused of obtaining the information they thus communicated to the President by practicing secrecy toward their associate directors. Is this accusation well founded in fact ? To answer this question I must again trouble the Senate to read from their memorial to Congress. In reference to this charge they say :

“ ‘ It would, indeed, be just ground of censure against us, if, under the authority of the one, or in executing the other, we had obtained information without ample notice to the majority, or communicated it without abundant opportunity allowed them to know, investigate and repel it for themselves. If they do not venture directly to assert that we did so, they attempt to insinuate it. On our parts, we explicitly deny it. We deny the truth of any allegation, direct or indirect, which implies want of candor — or any neglect of full information given to them of the nature and extent of our objections — or any want of the most ample opportunity previously afforded to examine, and, had it been possible, to refute the charges we made. This we deny, and we appeal to the records of the bank to sustain us in the denial. Our examination of the expense account was made, after a formal demand by us all, in person, to the president. We demanded it as our right, as directors of the bank. We proposed to make it in the public room of the directors. We did it in that of the cashier, at the suggestion of the president. After we had done so, we brought the whole subject formally before the board. Our resolutions on the minutes, show how fully we introduced it to their notice. We asked of them, by those resolutions, an explanation by their own officer, and under their own direction. We did this *on the 16th of August*. The majority felt itself sufficiently acquainted with the whole matter, to express a deliberate opinion upon it by their resolution confirming all they had done. They *refused* to have a statement prepared under their own direction, although we informed them of the vagueness of the account. In a word, it was evident they would neither aid in changing the system against which we remonstrated, nor in affording a true account of what had been done under it. It was *on the 19th of August* — after we had thus given them ample notice — after they had refused to aid us, give us their own statement, or enter into any investigation themselves — that we reported to the President of the United States all that they would allow us to ascertain.’

This is the statement of the facts, as given by the individuals accused. Their statement is corroborated by the records of the bank, which show that on the 16th August they laid this whole



matter before the board of directors, and, failing to obtain the adoption of measures calculated to correct the abuses or to arrest the improper expenditures, but, on the contrary, finding their efforts for those objects met by a positive direction to continue both with 'a renewed attention,' they, on the 19th of the same month, as the date of their letter shows, made their communication to the President. It is not true in fact, then, said Mr. W., that these directors attempted to conceal their doings from their associate directors. It is not true in fact that they assumed the character, which has been so harshly given to them here, of 'spies.' Not a single fact stated by them, and which I have just read to the Senate, is contradicted by the communication of the bank itself; and surely we are not to find the cause for a rejection of the nominations in this erroneous conclusion, drawn from an error in our understanding of the facts.

"So far from having attempted to conceal their acts, these directors complain that the books and papers of the bank have been concealed from them, while portions of the same papers have been held accessible to the editors of newspapers. Their language upon this subject is as follows:


" 'They deny to directors of the board the right to examine its documents and report its proceedings to the President of the United States, and yet it is notorious that the editors of newspapers under their patronage obtain and publish, with no permission of the board known to us, facts in regard to its proceedings, accounts and expenditures, which they admit have been obtained by "information in and out of the bank," and by an inspection of the documents it possesses. The irresponsible publication, by an editor of a newspaper, of facts favorable to the views of the majority, containing statements obtained from the bank without the knowledge of the public directors, involves no impropriety — the responsible report of those directors to the President of the United States, of proceedings and expenditures which have been brought distinctly to the notice of the board, is an act highly culpable, uncandid and unjust! ' "

"This accusation is taken from their memorial now upon the files of the Senate, and its truth, so far as it relates to their being denied access to the papers of the bank, is fully sustained by facts and transactions stated by them in detail; nor is the charge denied by the communication from the bank itself, to which I have had so frequent occasion to refer.

“It is further charged against these officers that they have been assuming; that they have styled themselves ‘the representatives of the American people,’ and that they are not so much censurable for the information they have given as for the very exceptionable manner in which they have thought proper to give it. These, if I correctly understood the honorable chairman of the Committee on Finance (Mr. Webster), were his views. Now, sir, said Mr. Wright, I have before given my opinions as to the official character and standing and responsibilities of these directors. I do not think they are mistaken when they suppose they are ‘officers of the United States.’ I think the Constitution gives them that character, and that, in so far as the American people are interested in the Bank of the United States, as stockholders and depositors, they are ‘the representatives of the American people,’ because they are officially charged with the guardianship and protection of those interests. Their assuming that title, therefore, should not be held a criminal assumption, calling upon the Senate to disgrace them as citizens or public officers. Their communications have been made to the President and to Congress in respectful language; nor, Mr. W. said, could he find, in any of them, any evidence of a manner so exceptionable as to justify him in voting against their nominations. He could find much in all their communications commanding his admiration, as evincing a faithfulness and fearlessness in the discharge of the responsible duties of a high and unpleasant public trust, and calling strongly upon him for his best support.

“But, as assumption had been charged, might he not be permitted to refer gentlemen to the other side of this controversy. They proposed to cut down these directors to sustain those chosen by the stockholders, and were those directors wholly clear from high and offensive assumptions? He would refer to a passage or two, in their late communication to the public, for an answer to the inquiry. Speaking of the conduct of the President of the United States, the following language is used :

“ ‘But the wrong done to the pecuniary interests of the bank sinks into entire insignificance when compared with the deeper injury inflicted on the country by this usurpation of all the powers of the government.’



“And again :

“ ‘ It, in fact, resolves itself into this, that whenever the laws prescribe certain duties to an officer, if that officer, acting under the sanctions of his official oath and his private character, refuses to violate that law, the President of the United States may dismiss him and appoint another ; and if he too should prove to be a “ refractory subordinate,” to continue his removals until he at last discovers, in the descending scale of degradation, some irresponsible individual fit to be the tool of his designs. Unhappily, there are never wanting men who will think as their superiors wish them to think — men who regard more the compensation than the duties of their office — men to whom daily bread is sufficient consolation for daily shame.’

“Now, here, Mr. W. said, to his understanding, were assumptions of no usual or ordinary character ; and if gentlemen were prepared to sustain such language, used towards the official acts of the chief executive magistrate of the United States, and used too by a moneyed incorporation created by the Congress of the United States, he was not. Such assumptions should never receive countenance from him ; and he felt sure that those who could give them countenance would not punish the directors appointed by the government because they had considered themselves as ‘ officers of the United States,’ and therefore, in reference to their official duties, as ‘ representatives of the American people.’

“Still another accusation, however, was made against these directors, and upon which peculiar stress was placed by some members of the Senate. It was said that they had made public matters of a private nature, not warranted by their situations and dishonorable to them as men. What, said Mr. W., are the facts ? These gentlemen were directors of the Bank of the United States. In the course of the discharge of their official duties they find that the account of Messrs. Gales & Seaton, printers of this city, is over-drawn to the amount of \$3,314.81 ; an amount, of itself, not sufficiently large to create great alarm, but surely of sufficient importance to excite attention and examination on the part of any prudent and faithful director, and especially when it was publicly known that the debtors themselves were in embarrassed circumstances and not responsible. They did examine, and at the first step of their examination they further find that a note drawn by these parties for \$5,000, which

had been discounted by the bank, had been due for some days and had not even been protested ; whereby, Mr. W. said, he supposed it followed from necessity that the indorser was discharged from liability. And, upon looking further, they find that, within a few years, the account of these individuals with the bank had risen from less than \$11,000 to more than \$80,000, and that the securities for this large debt were irregular, unusual and uncertain. Such is a succinct history of the condition of this account, as given by these directors in their memorial to Congress; and, in view of the facts, a motion was made to the board of directors that the account should be referred to a committee of seven directors, of whom the resident directors appointed by the government should constitute three, for the purpose of investigation and adjustment. This motion prevailed without opposition, and a special committee was appointed. The directors proceed to say : ‘ At the meeting of the board, three days after, the subject being before this special committee and unacted on, we were surprised to observe, by the books laid on the table, that the note for \$5,000 had been renewed, *by the Committee on Exchange, on the very day the investigation was directed.*’

“ They further say :

“ ‘ We observed also that the Committee on Exchange had discounted a note of the same persons for a further sum of \$2,500, on the security of their order on the clerk of the House of Representatives, “ for the amount which *would* be due to them for the second part of Vol. 6 of the Register of Debates, say for 500 copies, \$2,500, *when authorized by the House as heretofore.*” On this order the clerk declined putting any acceptance, as the above work had not been subscribed for ; though, as he said, “ he did not doubt of its being ordered,” but he stated that “ if the order was lodged with Mr. Johnson, his paying clerk, he would pay the moneys when due to the proper person.” They had also discounted a draft of the same persons, on H. T. Weightman, for \$814.81. The two together made up \$3,314.81, the amount of the overdraft at the time.’

“ Here, said Mr. W., was an account of a large amount, so unusually conditioned as, by the unanimous assent of the board of directors, to require its reference to a special committee for examination, and upon the very day when an order to that effect was made, this Exchange Committee, of the doings of which the government directors have had so much cause to complain, and

from which they have been carefully excluded, interpose and adjust the account in their own way. And what was that way? They first renew a dishonored note for \$5,000 upon the dishonored credit of the same parties. They next discount a note for \$2,500 of the same drawers, secured, or rather purporting to be secured, by an order from those drawers upon the clerk of the House of Representatives 'for the amount which *would* be due to them' '*when authorized by the House as heretofore,*' and upon which order the clerk had indorsed his refusal to accept, not his acceptance. An order upon the clerk of the House of Representatives for books which might or might not be purchased by Congress at a future session, as the pleasure of Congress should dictate, was thus held, by this Committee on Exchange, to be security for a note for \$2,500, drawn by irresponsible parties, and to make that note bankable paper. The committee then proceed to discount a draft of these same parties, upon a Mr. Weightman, for a sum sufficient to balance the overdraft of their account, and lay their proceedings before the board of directors of the bank, not for the advisement of that board, but merely for their information as to what had been done. The information being possessed by the board, the resolution appointing a special committee to investigate this account is called up, and, despite the efforts of the government directors and the mover of the resolution, is wholly rescinded.

"Such, said Mr. W., is a partial statement of the facts in relation to the private account which these directors are accused of having improperly and dishonorably made public; and he would ask, with entire confidence, was there any other private account of which they had spoken? The answer must be negative. Is, then, this such a transaction as is required to be kept private and secret from the stockholders of the bank? So far from it, in his judgment, that he considered it the indispensable duty of any director of that bank, from whatever source he might have derived his appointment, to lay open to the stockholders such an instance of gross mismanagement of the affairs of the institution. Was it to be tolerated that a mere committee of the directors should thus disregard a solemn order of the board, or should be permitted to force upon the bank such securities for its money? And when

these things were done and met the sanction of the majority of the directors, was it to be contended that the knowledge of the transaction was to be kept secret from the stockholders, and from the government as much the largest stockholder, under the pretense that the private accounts of individuals are not to be made public? Very different were his views upon this subject; and he could not believe that this transaction could be viewed in any other light than as an instance of palpable mismanagement of the affairs of the bank, or that the government directors performed any other than an honest duty in disclosing it to the President.

“It has been said that these directors made public these facts. Is this declaration well founded? They communicated them to the President, but I am yet to learn that they had any other agency in making them public. The President, and not these directors, caused their letters to him to be made public. They, therefore, are not to be charged with his act, and it is wrong to say that they caused any further publication than by their letter to the chief executive officer of the government. Are they, for this, to receive the heavy condemnatory sentence of the Senate? Are they, for this, to be proclaimed to the world as dishonorable men, performing dishonorable actions? They are not, Mr. President, to receive this sentence from me.

“But, Mr. President, said Mr. W., can we mistake the true question presented to us? Is it not whether the government shall or shall not be represented at the board of directors of that bank? Is it not whether the public interests there shall be guarded by directors appointed by the government, or whether those great interests shall be subject to the caprices of the individual stockholders, or of those they may choose to permit to represent them there? The honorable Senator from Massachusetts (Mr. Webster) has told us that he opposed the charter of this bank, and that he did so mainly upon the ground that all the directors ought to be appointed by the stockholders in the same manner; that the government ought not to be represented by directors at the board; that it ought not to have this control over the management of the affairs of the institution. He has also told us that himself and several of his associates used their best

efforts to expunge this feature from the charter, and, not being successful, voted against it. Why, sir, did they not succeed? Most certainly because that Congress considered this representation in and control over, the institution important to the government, and would not grant the charter without it. Had not, then, this provision for the appointment of directors on the part of the government been retained, the bank itself would never have existed. The honorable gentleman, however, now contends that the duties of these directors are in no respect different from the duties of the remaining twenty directors appointed by the individual stockholders; that they are virtually merged in this greater number, and that their views and feelings upon all occasions should be the same, and, if they are not, that they should be surrendered to the views and feelings of those responsible to a different body. Sir, if these were the Senator's opinions when the charter was upon its passage, why did he oppose it because of this provision? If this was not to bring into the direction a different representative interest, acting under different responsibilities, and to be measurably governed by different views, why was it so objectionable? It cannot be disguised, sir, that such must have been the expectation and intention of the Congress which granted this charter; that they designed that these directors should consider themselves the more immediate representatives of the government in all its various interests in and relations to the bank; and that for that reason, and for that reason alone, the provision was persisted in by those who desired this control and watchfulness, and opposed by those who did not wish it. Nor can it be disguised that by rejecting these nominations, for the causes for which they are to be rejected, we are, in our executive action, virtually legislating this provision out of the charter—making it what its framers did not design to make it, and releasing that safeguard over the public interests invested in the bank which they rigidly persisted in retaining. Who, Mr. President, will accept these offices, to perform fearlessly and faithfully the duties appertaining to them, if these men, who have so performed those duties, are to be cut down by the Senate? What honorable man will take a responsible office, without compensation, when he learns that a laborious and effi-

cient discharge of its duties is to bring down upon his head the heavy censures of this body? None, sir; and you may as well not go through the forms of an appointment.

“One word, Mr. President, in reply to the remarks made, when these nominations were last under consideration, by the honorable Senator from Virginia (Mr. Tyler). The Senator is a member of the Committee on Finance, and, upon the report of that committee being made, he told us he had come to the conclusion to vote for a portion of the candidates, and to vote against others; but upon the occasion referred to he read to the Senate an article from a morning paper, purporting to give the transactions of certain individuals with the bank; said he would presume that the informants of the publisher were these directors, and that unless he could be certainly assured that his suspicions were wrong, he should vote against them all. Sir, said Mr. W., it appears to me, if the honorable gentleman will review the facts, he will discharge these individuals from that responsibility. The paper purported to give minute facts as to particular transactions with the bank. The individuals named, and who must know the truth upon the subject, are here in their seats in the Senate. They assure us that every material allegation in the publication was wholly false and without foundation. Does it, then, afford any ground whatever for the presumption that the article was written upon information derived from these directors? Is it not a necessary conclusion that they would have given correct information if they had given any? Is it fair or reasonable to suppose that these officers would have violated their duty by attempting to give information of this description to the publisher of a newspaper, and would in the same act have practiced a fraud upon that publisher by giving him information which was false and without foundation? It did, Mr. W. said, appear to him that this was a presumption too violent to justify the honorable Senator in condemning these candidates unheard, and he could not but believe that, if the gentleman would reconsider, he would return to his first conclusion to vote for, at least, some of the persons nominated.

“He would ask the further indulgence of the Senate while he gave a moment’s attention to the injurious remarks which were

made, at a late day, by the honorable Senator from Vermont (Mr. Prentis), which should complete the discharge of his present duty. That gentleman had told the Senate that he should vote against the confirmation of these nominations, not in consequence of any objections he had heard urged against their characters, or qualifications to discharge their duties, but on account of their hostility to the bank. This conclusion was plausible, but was it supported by the facts? Is it shown that these directors are hostile to the bank? Mr. W. said he knew no evidence of the fact. They are hostile to the mode in which the bank is at present managed. They have complained of abuses in that management, and have tried to correct them. They have failed to accomplish that, and have laid the abuses before Congress. Is this hostility to the bank? Is it not rather the best of friendship to it, and are not those who are to be sustained by such a decision of the Senate the real enemies of the bank, as being the authors of the abuses and bad management? This, Mr. W. said, appeared to him the true conclusion, and that the gentleman would, by his vote against these nominations, censure the real friends of the bank for the benefit of those who had done most to injure it. He begged the honorable Senator, therefore, to re-examine his positions and see if the facts warranted the conclusion to which he had come.

“In conclusion, Mr. W. said he had bestowed his best attention upon the conduct of these directors as exhibited in the documents before the Senate; he had listened attentively to all that had been said in debate, and he had availed himself of all other information within his reach, and he now unhesitatingly gave to the Senate his conviction that the nominations of all ought to be confirmed. He should most cheerfully give to each candidate his vote.”

MR. WRIGHT TO MINET JENISON.

“WASHINGTON, 24th May, 1834.

“MY DEAR SIR.—Your letter of the 26th of April came regularly to me, and I was exceedingly happy to be informed that your health was improving, and that you had not relinquished your hope of the western journey, provided the state of your

health and the pressure should permit us to indulge ourselves in the trip. I yet hope we may take it, and that the enjoyment may be in proportion to my anticipations. Still, it is right I should say that I am in trouble. Four weeks ago I confidently believed we should adjourn on the thirty-first of this month. Two weeks ago I surrendered that hope and moved up to the sixteenth of June. Now we have more talk of the second of July than of any other time, and it is too plain that many of our friends in the House are willing to fix the time at that or even a later day. They make a great noise about their business and their anxiety to adjourn, but when the business is within their power they do not do it. I know of but one perfectly honest man in the delegation who opposes an adjournment, and he says very frankly that he does not want to go away until all the business is done ; that he has eight dollars per day, and hires a man at home for eight dollars a month that will do a 'plaguy sight more than he should, if at home.'* The old man's feelings actuate many, but they do not confess it. I think, however, the second of July is the latest day, and the sixteenth of June the earliest day, and that we shall get away sometime between those dates. I hardly dare write to my wife upon the subject. I had consented so long to the first of June, that she had settled her feelings upon that time very strongly, and I have not had time to get a letter since. I was compelled to stretch out the time to the sixteenth of June. She has behaved most remarkably well as yet, but you know there is a saying that 'hope deferred maketh the heart sick,' and I insist upon it she has a right to manifest a little impatience, even at this first extension. If, then, before she has time to write to me her feelings upon that, I tell her that another extension of half a month is to be made, I fear she may think that I do not want to get home. I do not, however, apprehend any serious difficulty, for I think she knows my feelings too well to believe that I stay here for pleasure, or that I would not vote to go home at any moment when I believed my public duty would permit me to do so. You are advised

* Isaac B. Van Houten. He believed Congress was bound to finish its calendar of business before it could lawfully adjourn. He was an honest and good man, of great simplicity of character.

that she meets me in Vermont, and my visit and business there will detain me some eight or ten days. It will, therefore, be probably about three weeks after we adjourn before you will see me at Canton. Hence, I fear I may be compelled to delay the journey to a later period in the season than you would wish. If you think so, write me on the subject.

“I have a letter before me from Doty, proposing the call of a mass meeting of the republicans of the county at such time as will enable Gillet* and myself to be there. I have thought of it, and am inclined to think rather favorably of the measure. We are to have a dreadful battle next fall throughout the country, and our congressional district is one of those which the opposition confidently hope to change. Their present proceedings show that they are early in the field, which is well. Let them take their ground and show their hand, and then we can follow them better. I have, however, come to the clear conclusion, so far as our county is concerned, that Gillet should be the candidate, and the only one talked of or presented. I have strong reasons to believe that Franklin will consent to waive its right for this year if Gillet is the man; and, as he has behaved most splendidly here during the session so far, and I believe he has supplied the district most unusually with documents, I hope to learn that he has gained strength. I am most happy, also, to be able to say to you that economy, so far as I can learn, has marked his whole living and expenditure during the session, with the single exception (if exception it ought to be called) of the purchase of documents to send home. Now, in this conclusion as to his renomination I may be all wrong; and if I am let me know it, as you know I can have no knowledge of the feelings of our people in the county, and only pronounce what I hope that feeling is, and what I think will be most fortunate if it is. If there is no other point where a different result shall be sought, I fear it will be found in the Custom-house; therefore I should like well enough to be present at the proposed meeting, if the conclusion shall be to call one. I believe you know me well enough to know that I have none of that sort of vanity which would make me anxious

* The author.

to be present for any reason connected with myself; but if I could aid in uniting our friends and in inducing a conclusion which should put forth our utmost strength, that would be a great inducement. Appearances now warrant the conclusion that the next presidential election is to be fought, in a great degree at least, next fall, because the final battle of the bank must be then fought, and, of course, the members of Congress will be the real point for the contest, and everything will be made to bend to those elections. Hence the necessity of unusual caution, self-denial and patriotism in arranging those elections and selecting our candidates. I doubt not that Bradish [who ran against the author two years before and failed] will be the opposition man, and he must be met. Who have they in Franklin that can run? I do not know, and I think the half schism between Spencer and Gillet is perfectly healed, and that Spencer will go for a location in St. Lawrence and for Gillet. These are grave matters, and I wish you would write me upon them.

“I shall suggest to Doty that if it is concluded to call a meeting, and to expect the attendance of Gillet and myself, the best way to fix the time will be to see when our adjournment is fixed, and then to put the meeting at least three weeks after that time. I shall expect to hear from you fully. Remember me to Mrs. Jenison and the little ones, and believe me,

“Most truly yours,

“SILAS WRIGHT, JR.

“MINET JENISON, Esq.”

CHAPTER XLV.

DEFENSE OF THE NEW YORK SAFETY FUND BANKING SYSTEM.

In the early days of banking in New York, although the banks acted as a unit in securing advantageous privileges at the hands of the Legislature, there was little harmony of feeling or community of interest in business matters. It seldom grieved the managers of other banks when one failed to meet its obligations. Hence, failures frequently occurred. A remedy for this evil was anxiously sought. It was found in what was denominated the "Safety Fund system," originally devised by Joshua L. Forman, formerly of Syracuse, cautiously and wisely improved by Thomas W. Olcott, of Albany—still living—probably the oldest and certainly as wise as any other banker in the State, and who has been in banks over sixty years, and half a century the controlling officer of the Farmers' and Mechanics' Bank of Albany. It was presented to the Legislature of New York by Martin Van Buren, when Governor of the State, and finally adopted by that body.

It required all banks to make a contribution of one-half of one per cent annually, to constitute a fund to be held by the State to secure the bill-holders of failing banks, and provided for the appointment of commissioners to make periodical examinations of all banks, with authority to the Chancellor to appoint receivers for those failing in the performance of their duty to the public. Some of the Safety Fund banks had been selected as depositories of the public money by the Treasury Department. Fierce war was made upon this bank-

ing system by Mr. Clay and others. They were well answered by Mr. Tallmadge and others. Mr. WRIGHT thus defended it on the 26th of February, 1834 :

“Mr. WRIGHT said he regretted to enter into this debate at all, but he felt it due to himself and the subject to give the answer which he had promised to the honorable Senator from Kentucky [Mr. Clay]; and before he did that, he would say that he rejoiced that there was no intention in this body to produce an excitement in the country ; that the Senator did not intend to produce that effect by the remarks he had made, but that he was able to add the gentleman’s distinct denial that such was his intention.

“He must be permitted further to say, before he replied to the interrogatory of the Senator, in justice to the Bank of Ithaca, in his State, the bank which the gentleman had named, that the remarks he had made in relation to it are most eminently calculated to produce the very effect upon that institution which the Senator did not mean to produce. He must not be misunderstood. He imputed no intention ; but he must say that the statement of the honorable gentleman [Mr. Clay], as to the Bank of Ithaca, the large amount of bills he had stated to be in circulation from that bank, and the very small amount of means to redeem them, unexplained, was directly and most happily calculated to produce a panic in the public mind in the vicinity of that bank, and to cause the run upon it which he was happy to find it was the desire of all to avoid.

“He must further say that, while he would not make the imputation against any individual in or out of this body, he deeply feared that certain presses in the country were daily and constantly publishing articles, and giving, very erroneously, what purported to be facts, most strongly calculated to excite the panic which the honorable Senator [Mr. Clay] had so often and so emphatically mentioned with disgust in the course of his remarks. In answer to these attempts to influence the public mind, he would say to the customers and bill-holders of, and to the depositors in, the Bank of Ithaca, what the honorable Senator had said, and so confidently repeated to the people of the whole country, ‘Be calm, be serene and confident.’ This ship of State

is not to be run upon the rocks, nor are the disasters predicted to be experienced, unless the panic produces the result. We shall ride out the present storm in safety, and peace and plenty will return to the land if the public mind remains unshaken.

“I will now answer the honorable Senator in reference to the \$5,000,000 of bank notes possessed by the Safety Fund banks of the State of New York, and which are set down by the bank commissioners as a part of their available means. I know not from what statement or authority the gentleman reads, but presume it is from the summary of the bank commissioners of that State. I think they, in their annual report, after giving the detailed statement of the condition and means of each bank, gave a summary statement of the aggregate condition of all the banks under their charge and supervision; and I presume that this item is drawn from that summary statement. If I am right in this, it shows that all these banks, which the gentleman says are sixty-nine in number, have this \$5,000,000 of the notes of other banks. The only error in the statement of which I have a right to complain (and that is a very material one at this period, and in the present agitated state of the public mind) is, that the gentleman says he assumes that all these are notes of the Safety Fund banks themselves. Now, sir, this is a violent presumption. The item is undoubtedly composed of all the notes of other solvent banks, held by the Safety Fund banks at the moment the statement was prepared. The amount, and the description of notes of which it would be composed, would be as fluctuating as the circulation of bank paper; but at any period the notes on hand would be those which the banks should think it desirable to receive or safe to keep; and, therefore, it may be confidently assumed that they were the notes of the best banks of the country. The proportion of Safety Fund bank notes would depend upon the proportion of these and other bank notes in circulation at the points where the collections are made and security felt in the institutions whose notes should be thus kept in deposit. I speak from some acquaintance with those banks and their business when I say that I fearlessly venture the prediction that if an account of these notes were given there would be found to be an amount of the notes of the Bank of the United States and its

branches, greater, by five or ten times, than the amount of the notes of any one Safety Fund bank. Sir, we were told the other day, by the honorable Senator from Massachusetts [Mr. Webster], that the notes of the Bank of the United States were received and used by the State banks as capital, and that they made discounts and did business upon them as such; and this was given to us as one of the merits of such an institution. This was and is true as to the notes of that bank, but is equally true as to the notes of any solvent State bank. The banks all consider the notes of their solvent neighboring institutions in their vaults as specie, and they do business upon them as such; nor does it make any difference as to what bank issued them, provided they be notes current at their counter.

“Why, Mr. President, should it not be so? Such notes are convertible into specie at will, and, therefore, are safe capital.

“But, sir, suppose all this \$5,000,000 of bank notes held by the Safety Fund banks of New York were the notes of the Safety Fund banks themselves, would it injuriously affect the standing of this aggregate account of all these banks? No, sir; it would show that the account was well made up. Take an instance: the Bank of Ithaca, in its statement, debits itself with the whole amount of its bills out, without reference to the place where they are, and credits itself with its means to meet those bills when they are called for. Ten thousand dollars of those bills are in one of its neighboring banks, and, in making its account, it credits itself with these \$10,000 of Ithaca notes as a part of its means. Now, the charge in the one case and the credit in the other counterbalance each other, and, so far as the general summary statement of all the banks is concerned, the \$10,000 of bills are redeemed. This is the nature of the item to which the Senator [Mr. Clay] refers, and this must be the only explanation of which that item, in this summary, is in any way susceptible. How far it is satisfactory is left to the Senate. To me it seems to be perfectly satisfactory, because the explanation shows that, where the item consists of bills of the Safety Fund banks, the credit, as means, by one, must be countervailed by a charge as debit by another. So much for the explanation I have promised.

“I must correct the Senator in another and much more import-

ant error into which he has fallen in relation to the manner in which the country banks in the State of New York do their business. The Senator [Mr. Clay] says, when they have a call which they have not the power to meet by the means of their vaults, they are in the habit of answering it by a draft, drawn upon the commercial cities of Albany or New York, on time. Such I understood to be the declaration of the Senator. [Here Mr. Clay signified that such was not the purport of his statement.]

“Mr. W. continued: I will then state, Mr. President, distinctly what I did understand the Senator to say, and he will surely correct me if I am wrong. I did understand him to allege that the banks in the interior were in the habit of making drafts upon the commercial cities before named, to answer calls which they had not the means to answer at their counters, without having, at the time, funds in those cities to meet such drafts. Whether or not he said the drafts were made upon time, is immaterial to my purpose. Am I right in this understanding? [Mr. Clay said the Senator had better go on.]

“Mr. W. continued: Sir, I speak from personal knowledge, when I say no such drafts are made. It is the practice of those banks in the interior to keep nearly the whole of their surplus funds in the cities. There these banks meet the great portion of their liabilities, and there they most need those funds; there, also, they obtain an interest upon those funds, and therefore, as a matter of profit, as well as security, they are kept there.

“Their usual and almost universal course is, to make an arrangement with some solvent city bank; and these arrangements are made either in Troy, Albany or New York, and they receive an interest, I believe, as a general rule, varying from four to five per cent, the stipulation being always accompanied with the condition, either that notice of the draft shall be given, the drafts be made upon time, or that the amount in deposit shall exceed a certain stipulated sum, before interest is chargeable. I have recently understood that a very few of the western banks have made their arrangements with stockbrokers, and keep their accounts with them, but these cases only form an exception to

the general rule. The solvent city banks are the general depositories of these funds.

“Sir, these country banks would not, if they had it, keep large amounts of specie on hand, in ordinary times, and when business was regular and undisturbed by any unusual excitement ; they would transfer it to the cities, where they would be most likely to need it, and where it would earn an interest, until they should require its use. What, then, can be inferred from the exhibit made by the Senator of the condition of these banks, so far as their specie funds in their vaults are concerned ? I say, confidently, nothing. Their funds are not kept idle in their vaults, but are placed where they are more needed, and where they can be usefully employed when not needed. I am asked, what are those funds ? I will answer. The bank accommodates the merchant ; he wants to use the accommodation in the city, and does so, and the bank meets the payment there. When the time of payment comes, the merchant sends to the market some commodity, out of which he makes the money, and deposits it to the credit of the bank at the place in the city where the account of the bank is kept. This replaces the amount subtracted for his accommodation, and thus the fund in the city is kept good. No country bank draws upon the city bank, but upon funds previously placed there to meet the draft ; I say, none. There may be cases where such drafts are made, but never without previous arrangement for their acceptance ; and I hazard nothing in saying that there is not a country bank in the whole State whose draft would be accepted, but upon funds placed in the city to meet it, or upon an arrangement for its acceptance. There is no drawing upon time, or upon the contingency of a general credit.

“The honorable Senator tells us that certain brokers in New York have sent a quantity of country bank notes to Albany to be redeemed, and that their redemption was refused. Sir, I know not from what authority the gentleman speaks ; but this I do know, that if the bills of any country banks were sent to Albany for redemption, and the banks which issued the bills had not funds in Albany for the purpose of their redemption, they would, of course, not be redeemed by the Albany banks. Why should they be ? Upon what principle could the banks at Albany be

expected to redeem notes not their own, and without funds from the banks which issued them? Surely upon none which belongs to the principles of safe and correct banking.

“Again, Mr. President, we are told that large sums of money belonging to the Canal Fund of the State of New York have been, by the bank commissioners of the State, withdrawn from the banks in New York, where these moneys were drawing an interest, to be applied to redeem the notes of the Safety Fund banks. I have no doubt the honorable Senator [Mr. Clay] has been informed and believes this statement; but from what source he derives his information I know not. I will tell him, however, what I do know, derived from personal and official knowledge, and it is, that his assertion cannot be true; that the bank commissioners of the State of New York have no more power over the moneys belonging to the Canal Fund of the State of New York, than the honorable Senator himself has. Those moneys are in the care of entirely different officers — officers holding the most high and responsible offices in the State. They have always been loaned where they were considered perfectly secure, and would command the highest rate of interest, and they never have been changed or withdrawn when so invested to consult the wants or interests of any bank. The law would not allow the officers having the charge of them to dispose of them from such motives, and those officers have not done so. They have, during the last year, and as I think very wisely, used every effort to sink these moneys in the redemption of the stocks which they are destined to redeem; and they have, to a great extent, succeeded. Those efforts are still making, and notwithstanding the great cry we hear in this body of distress and ruin, and scarcity of money, and almost starvation, overspreading the whole land, such is the state of things that the guardians of this fund cannot purchase these stocks (five per cent stocks, redeemable in 1845) at a lower rate than about sixteen per cent above their par value.

“Mr. President: I regret exceedingly to have been compelled to enter into an incidental debate of this character; and I would not have done so had I not considered myself called upon to explain allegations made in reference to the business affairs of my own State, and to transactions which no members of this

body but my honorable colleague and myself could be supposed to understand. I have done this, and will merely reply to a remark or two made by the honorable Senator from Ohio [Mr. Ewing], when I will resume my seat. The gentleman has denounced, in no measured terms, the Safety Fund system of my State, as applied to our banks. He thinks, as others have thought, that the safety of the banks is endangered by it; but he seems wholly to overlook the security afforded to the community, to the billholders and depositors. He seems to suppose that because the fund is not large enough to redeem all the bills in circulation, of all the banks at once, he proves that the security is fallacious. Sir, he is mistaken. The billholder, the depositor and the whole community, with the exception of the stockholder, is ultimately perfectly safe, unless every bank subject to the system be broken and destroyed. The fund may not be large enough *in presenti*, but the contributions must continue until the claims of the billholders and depositors are fully paid. What, then, is the difference between this system and the ordinary system, where there is no such security? I hold the notes of an insolvent bank which has stopped payment. I cannot, in either case, get coin for my notes; but if they be Safety Fund notes, I will eventually get dollar for dollar, and if they be not, I will get nothing. This is the simple difference, and this is the system which the gentleman thinks so mischievous and dangerous. I am not disposed to discuss with him the question whether these banks, by being made thus measurably responsible for each other, are more or less safe. I will only say that, if it be proper for legislation to consult any other object than that of filling the pockets of the stockholders, any portion of safety transferred from a bank to the billholders, the depositors and the community in general, is not objectionable to me. Such is the object of the Safety Fund system of New York; and I verily believe that, in consulting the safety of the public, it has, in the best manner, consulted the greatest safety of the banks. [Mr. Ewing having made some reply to what had been said by Mr. W.]

“Mr. WRIGHT said he would relieve the gentleman. He did not answer his main argument because he could not believe that it required an answer. The argument was, that making these

Safety Fund banks mutually responsible for each other prevented them from keeping that salutary guard over each other's transactions, and especially over each other's issues, which banks in no way connected with, but acting as rivals to each other, would keep. The statement of the proposition seemed to him to be a sufficient answer to the argument drawn from it. What, sir! will a bank at this capital watch with less care the operations of a bank at the other end of this avenue, when it is fully responsible for all the notes of that bank, than when it has no connection with or responsibility on account of it? If that be the effect of such a responsibility, Mr. W. said he had mistaken the influence which the interests of men had over their actions. The motive to increased watchfulness was direct and palpable, and that such a motive would have the effect to destroy that watchfulness, he could not see or believe.

"While up, he would say one word in answer to a suggestion which had fallen from the honorable Senator when he first addressed the Senate, and to which he had intended to reply. The Senator [Mr. Ewing] seems to suppose that the circulation of the notes of the banks of New York has been less extensive and less broadly diffused, since the establishment of the Safety Fund system, than before that time. He mistakes the fact. Mr. W. said he spoke from knowledge when he asserted that, from about one year after the establishment of that system, the public confidence had increased greatly as to the security of the notes of the Safety Fund banks, and that the circulation of those notes out of and beyond the limits of the State had been two or three times as great as at any former period. Yes, sir, they flew over into the territory of the Senator's own State, and even beyond it. He [Mr. W.] had himself known instances where remittances had been directed to be made to Kentucky, in the notes of the Safety Fund banks, when the notes of the other banks of the State, entirely solvent, but not subject to the Safety Fund law, would not be received.

"At first, said Mr. W., fears were entertained. The banks were fearful, and the bankers and politicians wrote and spoke against the plan, but time soon convinced all that the system was most valuable. The most experienced bankers of the State

yielded their assent to it, and the old banks came in and took new charters subject to the law. He did not feel disposed to institute a comparison between the science and skill and prudence and success of the bankers of his State and those of other States, but he was willing that their history, from the institution of banks in the State to the present time, should be examined, and he believed they would not be found to have been the least successful of all the bankers of the country. These men are now the warmest and strongest friends of the Safety Fund system. Indeed [Mr. W. said], he verily believed, if the honorable Senators themselves [Mr. Ewing and Mr. Clay] would examine the legislation of New York upon this subject, not as politicians, but as intelligent lawyers, as they are, they would yield their full assent to its wisdom and safety."

CHAPTER XLVI.

VIEWS CONCERNING LEGISLATIVE INQUIRIES INTO THE DUTIES OF GOVERNMENT OFFICERS.

Mr. Poindexter had offered various resolutions concerning the public lands, and for the appointment of a committee to make sundry inquiries, and among them one in relation to the recorders and receivers of the land offices, and how they had performed their duties. Mr. Shepley moved an amendment to the effect that, when an inquiry involved the legality of their acts, they should be notified and have leave to present their defense. This amendment was resisted by Mr. Clay and others. Mr. WRIGHT sustained the amendment, and presented his views of the duties of committees of inquiry when not specially instructed. Under the resolutions, as modified, he would have presumed that notice would be given. He said :

“He was, however, now at liberty to make this presumption, because it had been distinctly declared by the honorable Senator from Connecticut [Mr. Smith], and intimated by several other members, in the course of their remarks, that it would not be the duty of the committee to give any notice to any accused officer; that the committee were a mere inquest; that they were to act as grand jurors, and in no other character; that they were not to hear exculpatory evidence, if offered; but they were to act exclusively in an *ex parte* and accusatory character. This was presenting the duties of the standing committees of this body in a new light to him. Were they mere bodies of inquest, mere *ex parte* examiners of the subjects referred to them? He had not so understood the matter. He had understood that the duty of a standing committee of the Senate was to examine the merits of the questions referred to them, and to advise the Senate

as to its final action. Now it seemed that they were mere bodies of *ex parte* inquiry; and what, he would ask, was to be done with such a report when it came in? What was this ulterior and final action of which gentlemen spoke? Was it to refer the report back to the same committee, with instructions to examine the other side of the subject? What else could it be? If the Senate was not to obtain full information through its committees, how was that information to be obtained? What was the course of the committees upon ordinary subjects? Was it merely to make *ex parte* inquiry? If so, where was the testimony upon the other side to come from? Mr. W. said, the position was a mistaken one. The committees of this body are not placed in the situation of grand jurors. It is not their duty to make *ex parte* examinations, but to inquire into the merits of all subjects referred to them, and to make a report advising the Senate as to its final action. Until, therefore, he could receive some information that this committee would so consider its duties, that it would feel bound to notify such officers as might be accused before it, and to give them an opportunity to be heard in their own defense, he could not vote for the resolution, as modified by the honorable mover, but must vote for the amendment which made that an express duty. He could not believe it was the intention of the Senate to make the duties of this committee under the resolution accusatory only; to put whole classes of officers within their power for the purpose of having them report to the Senate, and spread before the public *ex parte* examinations and accusations which the persons accused had no opportunity to answer or explain. Still, such had been the practical effect of the opinions and views expressed by the honorable Senator from Connecticut [Mr. Smith], and, as he understood, assented to by others, and, until counter indications should be given by the committee, he must be in favor of the amendment.

“Mr. WRIGHT said, the second resolution refers to the combinations and companies to which the honorable Senator from Kentucky [Mr. Clay] alludes. To those persons he did not ask that notice should be given. He cared not what the result of an investigation might be to them. They were not public officers, and had acted upon their private responsibility only. But if the

honorable Senator had cast his eyes over the third resolution, he would have seen that he was widely mistaken in supposing that the express direction to the committee was not to inquire into the official conduct, of every land office in the whole United States. He would read the resolution. It was as follows:

“‘ *Resolved*, That the said committee be instructed to inquire whether the registers of the land offices, and the receivers of public moneys, at any of the land offices of the United States, or either of them, have, *in violation of law*, and of their official duties, demanded or accepted a bonus or premium from any purchaser or purchasers of the public lands at public or private sale, for the benefit of such officer or officers, as a condition on which such purchaser or purchasers should be allowed to enter or purchase any tract or tracts of land offered for sale by the United States; and, also, whether any register or receiver, as aforesaid, has been guilty of fraud or partiality in the sales of public lands by adopting rules and regulations, in their respective offices, inconsistent with the laws of the United States.’

“Here was a positive direction to inquire into the conduct of these officers, and *into their violations of the laws of the United States*, and to make those inquiries only. It was to such officers that he thought notice should be given. He did not believe that they should be condemned unheard. If the honorable Senator would look further, he would find that the fourth resolution contained the same direction, confined to the land offices in the State of Mississippi, and to a particular description of illegal acts. [Here some Senator remarked that this resolution had been so modified as to extend to all the land offices in the United States.] Mr. W. proceeded. He said he stood corrected; that he was told this resolution also had been made as broad as the third, and it only strengthened the ground for which he contended.

“The Senate would see that he could feel no interest in these inquiries. The land offices were so far removed from his State that neither himself nor his constituents knew much about them or the officers who occupied them. That abuses might exist was more than likely; and he hoped to be believed when he said that no member of the Senate was more willing or anxious than he was that where they existed they should be ferreted out and the guilty punished. Still, he was unprepared to say that *ex parte* accusations should be spread before the public against any

officer of the government. All ought to be heard and to have an opportunity for explanation and defense, and his present object was to cause the question before the Senate to be clearly understood, that every member might vote as his judgment should dictate. For his own part, after the distinct declaration of the honorable member of the committee [Mr. Clay], that notice ought not to be given, that he, as a member of the committee, should not feel bound to give such notice, but should consider it improper to give it, he [Mr. W.] had no alternative but to vote for the amendment, which required that notice should be given to any accused officer, and that he should be allowed to cross-examine the witnesses against him and to make his defense."

The principles thus presented it seems difficult to controvert, although not assented to by a majority of the Senate. A man's character may be easily destroyed by *ex parte* evidence taken down and sworn to, and presented by a legislative committee, to the public, and printed. This is more especially so when the movement has its origin in partisan considerations, and its execution is designed to secure a particular result. The rule for which Mr. WRIGHT contended, if fairly carried out in practice, would defeat the possibility of such results. Those whose acts could bear the test of scrutiny would have an opportunity for self-defense, while justice only would be meted out to those whose conduct should be indefensible.

CHAPTER XLVII.

EXTENDING THE CHARTER OF THE BANK OF THE UNITED STATES.

The friends of the Bank of the United States were persevering in their efforts to renew its charter. Numerous speeches were made in Congress in favor of it, and widely circulated throughout the country. Its opponents were not idle in their efforts to defeat that object. On the 18th of March, 1834, Mr. Webster asked leave to introduce a bill, in the Senate, to modify and extend the charter for the period of six years. His motion, unexpectedly to him, brought on a spirited discussion by the ablest debaters in the Senate, which induced him, on the twenty-fifth of March, to move to lay his motion on the table, which was carried. Among those opposed to extending the charter of the bank was Mr. WRIGHT, who, on the 20th of March, 1834, delivered the following well-considered and effective speech :

“Mr. WRIGHT said it was not his purpose to enter into a discussion of the great principles involved in the passage of the bill upon the table. His object in obtaining the floor, upon a former day, had been to reply to some things which had fallen from the honorable Senator from Virginia [Mr. Leigh], and to notice a few remarks made by the honorable chairman of the Committee of Finance [Mr. Webster], when he offered the bill. He must, he said, however, be permitted to congratulate himself that the Senate had now reached what he had, from the commencement of the session, considered the true question before Congress and the country; the question of ‘bank or no bank;’ the question whether the present Bank of the United States should be rechartered for any period of time, or whether any National Bank should be created by the authority of Congress, after the expi-

ration of the charter of the present bank. These questions, he considered, must be involved in the present discussion; and he must be permitted further to congratulate himself that, as to the constitutional power of Congress to pass the bill now under consideration, or any bill to charter a bank similar to that now existing, the opinions of the honorable Senator from Virginia [Mr. Leigh] and his own perfectly coincided. The honorable Senator did not believe, nor did he himself believe, that Congress possessed any such power, and therefore, so far as their action was concerned, no such bank could exist after the year 1836, when the charter of the present bank will expire by its own limitation.

“Mr. W. said he would not attempt to repeat the arguments which the honorable Senator had so happily used, in his clear and strong manner, to establish the correctness of their opinions. Any attempt by him to do so might weaken what had been so well and so concisely said by the Senator, but he would detain the Senate to add one view of this subject, which had not been taken by the honorable Senator, and which had struck his mind with great force. Upon all former occasions, when the power of Congress to charter a bank had been under discussion, reference had been made to that clause of the Constitution which reads in the following words:

“ ‘The Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers, vested by this Constitution in the government of the United States, or in any department or officer thereof.’

“All, Mr. W. said, as he understood, had formerly argued that this *necessity* must be shown before the power could be inferred, and he had also understood that all had admitted that this *constitutional necessity* must be a necessity growing out of the wants of the government, and not out of the wants of business; that it must be a necessity arising from the collection, distribution and disbursement of the public revenues, not out of the wants of the commercial interests, the mercantile interests, the manufacturing interests, or any other branch of labor and enterprise; that it must be a necessity growing out of the wants of the public treasury and the administration of the finances of the

country, and not out of the wants of the individual citizens. What, Mr. President, said Mr. W., have we heard urged as constituting this necessity, in the whole course of this debate, in all the various shapes and forms in which it has been carried on in this body for now about four months? The wants of ordinary business, the demand for capital, the regulation of exchanges, the importance of a uniform paper currency; not the wants of the treasury. These last, sir, have not been mentioned in the comparison, while the former are made the indisputable evidence that a bank is *necessary*. Sir, said Mr. W., the wants of the treasury, and the wants of the treasury alone, can constitute this *constitutional necessity*. The wants of business cannot be the legitimate subjects of consideration for those who seek to derive the power to charter a bank from this provision of the Constitution. He said he was one of those who did not believe that any power whatever was granted to Congress by this provision, much less the power to charter a bank; but he must believe that those who did imply such a power from it would, at least, admit the *necessity* must be such an one as the Constitution contemplated, and that the Constitution could not have contemplated any other than a *necessity* connected with the collection, distribution and disbursement of the revenues of the government; not the ordinary necessities of trade and exchange. These last were the wants which gentlemen feared the State banks could not supply, though they were willing to engage to collect and distribute the public moneys upon the same terms that the United States Bank had done it. He begged the Senate to look at this view of the case before they permitted a necessity, imaginary or real, unknown to the Constitution, to influence their action.

“But, said Mr. W., the honorable Senator and myself have no difficulties of this sort to contend with. To our minds it is clear that the power to pass this bill is not granted by the Constitution. Having come to this conclusion, the honorable Senator inquires, in his impressive manner, if the present disposition of the public deposits with the State banks is to be continued. Sir, said Mr. W., I will avail myself of a privilege belonging to my countrymen, the Yankees, and answer the gentleman by asking him a question. What disposition will he propose to make of these

deposits? What plan will he recommend for their future disposition? We agree that the charter of the Bank of the United States is unconstitutional, and it cannot, therefore, be extended beyond its present limit. I say that, in the absence of such an institution, the State banks present to the government the best and most convenient fiscal agents of which the nature of the case is susceptible. I have said upon a former occasion, and I repeat, that I think them perfectly safe agents. I have said, and I repeat, that I think them fully competent to discharge all the duties required by the government in the collection and disbursement of the public revenues; fully competent to answer every *constitutional necessity* of the treasury. I now say, further, that I am not alarmed at the power which is placed, by law, in the hands of the President and the Secretary of the Treasury over these deposits. It is the same power which was placed by Congress in the hands of the first President and first Secretary of the Treasury, at the formation of the government, under the Constitution; it is the same power which existed in the hands of those officers from 1789 up to the year 1816, when the charter of the present bank was granted. During all that period the liberties of the country were not endangered by it; the people were not then taught to believe that the exercise of that power was usurpation or tyranny. No danger was then seen or apprehended, nor were we told that the purse and the sword of the country were united in one hand. Sir, said Mr. W., these laws have undergone no material alteration from the time of the first Congress to the present day, except the alteration made by the provisions of the present bank charter, and these alterations cease to be applicable when the deposits cease to be made with that institution. Where, then, is the ground for all this alarm, all this apprehension for our liberties? Still the honorable Senator expresses, no doubt most sincerely, the greatest apprehension. Will he not, then, tell us what is to be done? Will he not propose what, in his judgment, shall avert the dangers he fears? Sir, I wish to be distinctly understood upon this point. I do not contend that these laws may not be beneficially amended, but I merely say that they are just what they have been from the organization of the government, with the single exception I have before mentioned, contained

in the bank charter. If they are bad, alter and amend them. If the powers over the public deposits conferred upon the Executive Department are too broad, limit and confine them. No one doubts or questions the power of Congress over the whole matter; no one resists the action of Congress upon it. Surely, then, it does not become us to find fault with the executive officers of the government for executing the laws as they are, while we do nothing to modify the law and make it what we would wish it to be. Our duty, as legislators, is not to point out the defects in the laws merely, but to apply the proper remedies for those defects—to examine the laws as they are, that we may make them what they ought to be—not to spend our time in deploring those defects, for which we offer no remedy. Sir, said Mr. W., I have not allowed myself time to make such an examination of the laws of Congress as enables me to say whether any, and what, alterations are required in those relating to the Treasury Department, and the management and disposition of the public deposits. That changes for the better may be made is more than probable; and I declare myself ready, at any period, to act upon propositions having this for their object, come from what source they may. I am sure, however, gentlemen will see that Congress should discharge its duty before we are at liberty to complain of the laws as they are. Mr. President, said Mr. W., we all know, and know well, that it is easy to find fault; that it is easy to complain of existing evils, when it may be very difficult to propose remedies which will even suit ourselves, and much more difficult to propose those which will meet the approbation of Congress. I have said that I am not prepared to make propositions; and I venture the prediction to the honorable Senator that he, and those gentlemen who, with him, are so deeply dissatisfied with the existing law, will find it much more difficult to legislate upon this subject, in a safe and proper manner, than they now seem to suppose, and that they will find the changes which can be beneficially made in the existing laws much less extensive than they, by their complaints, would indicate. Still, sir, I repeat, gentlemen should turn their attention to this subject. If we are to have no Bank of the United States, some disposition must be made of the public deposits. I say, place them in the State

banks; but if, as the remarks of many honorable Senators would seem to indicate, the State banks are not to be used, they are surely bound to inform us what disposition they intend to make of them. I am aware, Mr. President, that these remarks address themselves less appropriately to those Senators who believe we ought to have a national bank, and propose such an institution as their remedy for the evils of which they complain, than to those who, with the honorable Senator from Virginia and myself, believe that the Constitution does not give us the power to charter such a bank, and that, therefore, it is a remedy beyond our reach; but, sir, these are considerations which should address themselves to the serious reflections of all. They are considerations connected with our duties as legislators, and in reference to which it is now most likely we shall be soon called to act.

“Mr. W. said the honorable Senator from Virginia [Mr. Leigh] had told us that the present year might throw new lights upon this subject, and might develop, in his own State, at least, a new condition of public feeling in reference to the recharter of the bank. The State of Virginia, he said, might see that the present bank was to be destroyed merely to make room for another national bank, in a greater degree subject to executive influence, and located in the city of New York. Well, sir, said Mr. W., what then? Suppose Virginia does so see (which I think she will not), what can be the effect upon her action? She has pronounced the charter of the present bank unconstitutional, and she must, therefore, be held to have pronounced its recharter, or the chartering of any similar bank, wherever located, equally unconstitutional. Will she then call upon her representatives here to vote for a law, which she declares to be a violation of the Constitution, to prevent a change in the location of a national bank? No, sir. With all deference, I say the people of Virginia do not change their constitutional opinions for such reasons, or govern their constitutional action by such motives. She will not give her voice for a bank which she believes to be unconstitutional, to secure its location or to prevent its location anywhere.

“But again, the honorable Senator says, the State of Virginia may see that the State banks are to be continued as the fiscal

“Mr. W. said the honorable Senator had, for the second time, alluded to the subject of the transfer drafts, with which he had, upon both occasions, coupled the transactions of the Post-office Department ; and in that way he had presented to the Senate, with his characteristic clearness and force, a case of mismanagement of the public funds, which, upon the Senator's first exhibition of it, had perceptibly an effect upon all sides of the House. The Secretary of the Treasury, as the head of one of the executive departments of the government, had been presented to us lending money from the public treasury gratuitously, and without interest, to the State banks, to enable them to sustain themselves; while the Postmaster-General had been brought in, upon the other hand, as the head of another of these executive departments, borrowing money for the use of the government and paying an interest of six per cent for the loans so made. Upon this presentation of the case, and especially with the vivid coloring which the honorable Senator imparted to it, he, Mr. W., was ready to admit that attention was justly excited. He had, therefore, taken some pains to inform himself as to the facts, and he would attempt to give them to the Senate in an intelligible form, and leave to the judgment of the body the degree of blame which should be considered fairly imputable anywhere from the transactions. The first and great error in the gentleman's case was the connection of the Post-office with the Treasury Department. If he had taken the trouble to examine the subject, he would have found that the Secretary of the Treasury could no more pay money from the public treasury to answer the wants of the Post-office Department, without the authority of a law of Congress, than he could pay money for the wants of the private business of the honorable Senator or himself. If he had examined the laws of Congress upon the subject, he would have found that no appropriation of money from the public treasury for the use of the Post-office Department existed, which had not been promptly and fully paid. The idea, therefore, that the Secretary of the Treasury might have taken the money on deposit in the Bank of the United States, to the credit of the Treasurer of the United States, and appropriated it to the wants of the Post-office Department, is fallacious and deceptive.

citizens of the western States; and then, in that impressive language in which everything reaches us coming from the honorable gentleman, he asks, will these citizens consent to have their houses sold from them, and themselves and their families to be reduced to poverty and want, for the sake of the destruction of the bank? It is not my purpose, Mr. President, said Mr. W., to speak of the pecuniary condition of the citizens of the western States. My information does not enable me so to speak. One thing, however, I do know, sir, and am most happy to be able to say, that no portion of the citizens of this republic have heretofore, and up to this period, been more patriotic, more devoted, more disinterestedly devoted, to the safety and perpetuity of our civil institutions, and to the integrity of our Union, than the citizens of the west; none have more willingly or more severely suffered to secure these objects than they have. I doubt not that the same spirit and patriotism still prevail among them; and while I know not the extent of their indebtedness, or their means of payment, I hope and believe they have not arrived at that state when the power of a creditor moneyed corporation is paramount with them to their attachment to the Constitution and laws of their country.

“But, sir, the effect upon the action of Virginia is the question I propose to consider. Will that patriotic State instruct her Senators to vote for a law which she has adjudged a violation of the Constitution, because the debtors of a bank, created by an unconstitutional law, cannot discharge that indebtedness? Will the State of Virginia admit that a Bank of the United States, with a charter not authorized by the Constitution, and with seventeen years of life only, has the power to destroy the confederacy of the States and dismember the Union, and then, by her own voice and action, give that bank further life and further power? I cannot think so; and I am convinced, if the honorable Senator [Mr. Leigh] reviews the tendency of his remarks and conclusions, and the important results which may follow the decision of the question now before us, he will not, he cannot feel that indifference, as to the action of Congress upon the bill now under consideration to recharter the bank, which I understood him to express when giving his sentiments to the Senate.

“Mr. W. said the honorable Senator had, for the second time, alluded to the subject of the transfer drafts, with which he had, upon both occasions, coupled the transactions of the Post-office Department ; and in that way he had presented to the Senate, with his characteristic clearness and force, a case of mismanagement of the public funds, which, upon the Senator's first exhibition of it, had perceptibly an effect upon all sides of the House. The Secretary of the Treasury, as the head of one of the executive departments of the government, had been presented to us lending money from the public treasury gratuitously, and without interest, to the State banks, to enable them to sustain themselves; while the Postmaster-General had been brought in, upon the other hand, as the head of another of these executive departments, borrowing money for the use of the government and paying an interest of six per cent for the loans so made. Upon this presentation of the case, and especially with the vivid coloring which the honorable Senator imparted to it, he, Mr. W., was ready to admit that attention was justly excited. He had, therefore, taken some pains to inform himself as to the facts, and he would attempt to give them to the Senate in an intelligible form, and leave to the judgment of the body the degree of blame which should be considered fairly imputable anywhere from the transactions. The first and great error in the gentleman's case was the connection of the Post-office with the Treasury Department. If he had taken the trouble to examine the subject, he would have found that the Secretary of the Treasury could no more pay money from the public treasury to answer the wants of the Post-office Department, without the authority of a law of Congress, than he could pay money for the wants of the private business of the honorable Senator or himself. If he had examined the laws of Congress upon the subject, he would have found that no appropriation of money from the public treasury for the use of the Post-office Department existed, which had not been promptly and fully paid. The idea, therefore, that the Secretary of the Treasury might have taken the money on deposit in the Bank of the United States, to the credit of the Treasurer of the United States, and appropriated it to the wants of the Post-office Department, is fallacious and deceptive.

Without a direct and palpable violation of the law, and of his official powers and duties, he could not have made any such disposition of these moneys; and surely, at this time, when the Secretary of the Treasury is so broadly accused of constitutional as well as legal violations, the gentlemen who make the accusations will not be disposed to censure him for not having violated the law in this instance. Mr. W. said he did not intend, by any expression he had made or might make, to convey the most distant impression that the honorable Senator had designedly conveyed an erroneous impression as to the relations between these two departments of the government. Considering both as equally public interests, he had, undoubtedly, omitted to turn his attention to the want of legal authority to make the payments, which the import of his remarks went to show ought to have been made, from the moneys remaining in the treasury. It will be seen, however, said Mr. W., that the imaginary connection between these two departments, which gave to the Senator's relation the most point, as an instance of executive mismanagement, has no legal existence whatever, and therefore we have the Post-office Department, and its management and administration, wholly separated from the operations of the treasury. How, then, stands the *loans* to the State banks of which the honorable Senator speaks? On the first of October last, the Secretary of the Treasury came to the conclusion to change the deposit of the public moneys, thereafter to be received, from the Bank of the United States and its branches to various State banks which had been selected by him for that purpose. He was aware that, in consequence of the deposits having been previously made in the Bank of the United States and its branches, large balances must have accrued in favor of the deposit bank and branches against the State banks, in the principal commercial cities, because the revenue collected in those cities must have been paid by the whole trading population, who must derive their means of payment from all the banks, while those means, applied to those payments, must go into the single bank or branch in which the public moneys were kept; he was further apprehensive that the United States Bank would assume a hostile attitude towards the banks which should consent to receive the deposits of the public

moneys in lieu of that institution, and would call for any balances which might exist in its favor against any of those banks, and would require the payment in specie, before time would be allowed for the banks to receive any benefit from the deposits; he also knew that, by a law of Congress, the public revenue was payable in the bills of the Bank of the United States and its branches, while those bills could not be converted into specie, in case the bank should choose not to redeem them at the points where they should be received, except by causing them to be presented at the bank or office which issued them, or where, upon their face, they might be made payable; he also knew that, by an order of his department, a certain description of paper put into circulation by the bank and its branches, and known by the appellation of 'Bank Drafts,' but which Mr. W. said he believed the highest court in the country had decided were neither 'bills' nor 'notes' of the bank, were made receivable in payment of the revenue, which drafts, if the bank should refuse to receive them as money, at the place where taken in payment, could not be converted into specie, or even into bills of the bank, but by presentment at the bank or office upon which they were drawn. The knowledge of these facts showed the Secretary that, should the bank be thus disposed, it could exert a double power of injury against the State institutions which were to take the deposits, by instantly calling for the payment in coin of any balances in its favor, and by refusing to take in payment of those balances the notes and drafts of the bank itself, not made payable at the bank or branch where the payment was to be made. In this way, and by this double power of oppression, the State institutions might be severely injured, and perhaps ruined, and that, too, when the balance to be paid had accrued solely from the payments towards the public revenue, and when the notes and drafts, refused in payment, had also been received in collections of the public revenue. To guard against this contingency, the Secretary gave to a few of the banks, in the large cities, the transfer drafts in question, which drafts were made upon the United States bank, or the branch at the point where the oppression was apprehended, and in favor of the State bank upon which it was anticipated the attempt might be made. In all cases precise

instructions were given that the drafts should be returned to the department, without presentment, unless the balance before spoken of should be hastily demanded in coin, or unless the bank or branch at the point should refuse the notes of other branches, or the branch drafts, as money; but in either of those contingencies the drafts were to be presented, and the amount taken from the public money left with the bank or branch was to be transferred to the State bank and passed to the credit of the public treasury there. The honorable Senator has selected the Manhattan Bank of New York to illustrate the abuse he supposed to exist. In that case the balance was demanded, and the notes of other branches of the bank and the branch drafts were refused to be received in payment, or passed to the credit of the bank offering them; the draft from the department was presented and paid, and soon after the bank changed its course and consented to receive all its notes and drafts, which should be taken in payment of the public revenue, as money. Some of the other drafts were presented, and others were returned to the department without presentment. These are the facts as to what the honorable Senator has so significantly termed loans to the State banks. How far they deserve that appellation, Mr. W. said he would most cheerfully leave it to the Senate and the public to judge. But, says the honorable Senator, the loans were made without interest. Has the honorable gentleman overlooked the fact that the money was standing to the credit of the Treasurer, in the Bank of the United States, without interest; that the transaction was a mere transfer of the amount of the draft from the credit of the Treasurer, without interest, in one bank, to the credit of the Treasurer, without interest, in another bank; that the draft did not take one dollar from the treasury; that the money, when placed to the credit of the Treasurer in the State bank, was no more a loan to it than when standing to the credit of the Treasurer, in the Bank of the United States, it was a loan to it; and that, in either situation, the amount was equally subject to the drafts of the Treasurer at pleasure?

“I am bound, said Mr. W., to give to the honorable Senator from Virginia my unfeigned thanks for according to me sincerity in the declaration, made on a former day, that my opposition to

the Bank of the United States did not proceed from a desire to transfer the location of that institution to my own State ; I at the same time expressed my most firm conviction that the opposition of that State proceeded from no such motive. Sir, said Mr. W., I was sincere in both declarations. The republicans of New York do not oppose this great moneyed power upon the narrow ground of selfish or local interest, much less from a desire to transfer its influence within the limits of their own State. Their opposition proceeds from higher motives and is maintained for nobler purposes. They believe it to be a power dangerous to the government, dangerous to the purity of our institutions, and dangerous to the liberties of the people. Many of them believe it to be a power unknown to the Constitution, while others believe the constitutional power to create it may exist, but that it is a power which ought not to be called into exercise. Experience, which is claimed here to prove the necessity of such a bank, has proved to them that such an institution ought not to exist in a free country, and their resistance to its recharter is based upon these high grounds of principle, and not upon any consideration of personal or local interest. The honorable gentleman's apprehensions, therefore, that this bank is to be destroyed merely to make room for another, similar or more powerful, to be located in New York, are without foundation.

"Mr. President, said Mr. W., am I required to adduce proof of this assertion? I need not better than the memorials from New York, almost daily laid before you, and, nearly without an exception, if coming from the opponents of the administration, praying for the recharter of the present bank. It is a fact, which does not admit of contradiction, that there is not, at this moment, in this Union, not even in the city of Philadelphia itself, a body of men more earnest, more active and more untiring in their efforts to effect a recharter of the present bank, with its present location, than a large portion of the merchants and business men of the city of New York. The honorable Senator has told us that New York desires the regulation of the exchanges of the country, that her citizens may profit from the purchase and sale of bills. Sir, a very large proportion of the individuals to whom this position of the gentleman would apply, in case those who

best understood the subject thought it applicable, — a very large proportion of the exchange brokers and great money dealers of New York are foremost in the cause of the present bank, and are using their utmost exertions to produce a recharter. Need I stronger evidence to show that no concerted local movement, nor any perceptible local interest, is governing the course of that State upon this great question?

“Mr. W. said he must now detain the Senate, while he very briefly replied to a few of the remarks of the honorable Senator from Massachusetts [Mr. Webster], made upon the presentation of the bill to the Senate. And first, the honorable gentleman had stated that the Safety Fund banks of New York were under the supervision of a political commission appointed by the government. He, Mr. W., must express his profound regret that he should so often meet with statements upon this floor, in relation to the Safety Fund banks of New York, which were erroneous in fact and in conclusion, because gentlemen had not made themselves acquainted with the laws of that State regulating those banks. He had hoped that this would not have been the case with the honorable Senator from Massachusetts, but that he would have made himself familiar with that Safety Fund system before he made it the subject of remark here, and certainly before he passed sentence upon it as a political system. He had not done so, however, as was evident from the remark above referred to. The Bank Commissioners of the State of New York are three in number, and they are the officers whose duty it is to supervise the banks subject to the Safety Fund law. So far from being a political commission, appointed by the government of that State, as the honorable Senator has supposed, but one of the three commissioners is so appointed, and the remaining two are appointed by the banks themselves. The one is appointed upon the nomination of the Governor, and by the advice and consent of the Senate of the State, as officers of this government are appointed by the President and Senate; and this commissioner may be considered as more especially the representative of the State, and of the public interests in the board of commissioners. The State is divided into two districts for the appointment of the other two commissioners, and each is appointed by the banks of his dis-

strict — every bank voting upon a uniform rule, according to the amount of its capital stock. These commissioners, thus appointed, are the exclusive representatives of the banks themselves, though the law makes no discrimination as to the powers and duties of the different members of the board. This is the true constitution and mode of appointment of that commission, which the honorable Senator has denominated ‘a political commission appointed by the government.’ Sir, his mistake must have proceeded from his inattention to the law of which he was speaking, for he did not intend to produce an erroneous impression as to the character of these officers. He may, if he chooses, consider the commissioner appointed by the State a political officer. I will not occupy the time of the Senate to point out the injustice of such a conclusion; because, when I find that officer guarded upon each side by an officer of equal powers, and charged with the same duties, and deriving, in both cases, their official character from the banks themselves, I sufficiently divest the board of the political character which the gentleman has ascribed to it. I cannot be mistaken in this conclusion, unless the honorable Senator shall contend that the banks select politicians as their representatives in the commission. If such be the ground he intends to assume, I can tell him, if the position were established, he, and not myself, would have occasion for joy that the commission was made political. It is a fact, Mr. President, which no one acquainted with the subject will deny, that a very large majority, I doubt not full two-thirds, of all the stocks of all the Safety Fund banks in the State of New York, are owned and held by the political friends of the honorable gentleman, — by persons opposed in politics to the present administration. The plain democrats of New York, sir, are not rich; they hold few stocks; they live not by banks, but by the labor of their hands. Surely, then, if this bank commission, constituted as I have related, two of the three commissioners deriving their appointments from the votes of the holders of the stocks of these banks, be a political commission, it must represent the politics which the Senator himself approves, and it is not for him to complain of its character. But, Mr. President, the honorable Senator is mistaken; this commission is not a political commission; the banks in New

York are not political banks, nor do they attempt to exert a political influence. The citizens of that State, of whatever political party, do not invest their capital in the banks for political purposes; they understand their interests too well to do so; they make their investments for the profit to be derived from them, and the banks are conducted with a single view to this object. I wish, sir, I had the power to persuade honorable Senators to permit their minds to be undeceived upon this point. They lead themselves into many mistakes, upon the subject of the New York banks, by adopting this error, and reasoning from it, without a proper acquaintance with the law or the facts, from which correct opinions would be formed. The banks of New York are not political institutions. Their object is to make money; and if they can do that, and if the laws be such as to protect their rights, and to facilitate their operations directed to that object, they care not who rules, what political party triumphs or what politician succeeds. I owe it to candor to say, Mr. President, that in former years, and before the establishment of the present system of banking in that State, I had heard of a very few instances in which banks were charged, with too much appearance of truth, with interfering in the politics of the State; but I am happy to be able to say that those instances, so far as my information extends, have been 'few and far between,' while I believe time has shown that every bank against which this charge was strongly supported has turned out to be insolvent.

"The honorable Senator again tells us that the representatives from New York here express great fears of the power and influence of the Bank of the United States, and asks if that State, with its league of banks, comprising together a capital of between \$22,000,000 and \$23,000,000, has cause to fear this institution. [Here Mr. Webster explained that Mr. W. had misapprehended his remark; that he had not said that the New York banks had no cause to fear the Bank of the United States, but that his argument was, that the Senators from that State expressed great fear as to the power and influence of the Bank of the United States, with a capital of \$35,000,000, extending its operations over the whole Union, while they expressed no fear whatever of the power and influence of the sixty-nine banks of their own

State, embodying an aggregate capital of more than \$22,000,000, and leagued together by legal provisions.] Mr. WRIGHT resumed. He said he owed it to the Senator to say, that he had misapprehended the force and direction of his remark, and he would conform his answer to his present understanding of its application. This, said Mr. W., will make it necessary for me to inquire how far the Safety Fund banks of New York are, in the language of the honorable Senator, leagued together, so as to be properly viewed as one consolidated moneyed power. The only common interest between them, Mr. W. said, was their obligation to contribute to a common fund, which fund was taken possession of by the State, and held for the security of the public — the bill-holders and depositors of the banks first, and for the benefit of the banks ulteriorly, in case it should not be expended on account of failures of the banks. To what extent could this contribution be carried, because that was the measure of the league between the banks? In the first instance, to a yearly payment of one-half of one per cent upon the amount of the capital stock of each bank, which yearly payment was to be extended over the term of six years, and to amount, in the aggregate, to three per cent upon the aggregate capital stock of all the banks subject to the provisions of the Bank Fund law. These contributions were to constitute the fund, the management of which remains with the State during the continuance of the charters of the banks, but the net annual income of which, over and above expenses, is distributed to the banks in the proportion of their respective contributions. The fund is a trust fund for the benefit and security of all who may have demands against the banks other than the stockholders, and the State is the trustee; but, if those demands are discharged by the banks themselves, the fund is theirs, and is to be returned to them at the close of their respective charters, according to their respective interests in it; and, in the meantime, as I have before remarked, the annual earnings of the fund, lawful expenditures from it being first deducted, are annually paid to the banks. This is the first step of the league. Now for the second. In case a bank, subject to the Bank Fund law, fails and the capital of the fund be reduced by the redemption of its notes — which are made redeemable at

the Treasury of the State so long as there are moneys belonging to the Bank Fund in the treasury to redeem them with — then the contribution of one-half of one per cent upon the capital stock of all the banks subject to the law again commences, and continues until all obligations against the failing bank, in favor of bill-holders and depositors, are fully discharged, and until the capital of the fund is again restored to an amount equal to three per cent upon the aggregate capitals of all the banks making the contributions. This completes the liability of the New York Safety Fund banks for each other; and this is the whole extent of all the provisions of the laws of that State creating such liability. Do they, then, deserve the appellation of ‘leagued banks,’ in the general acceptation of those terms? The contribution cannot, in any case, exceed the one-half of one per cent per annum upon the capital stock of the bank upon which the liability rests; there is no community of capital; no community of dividends; no community of management, for each bank is managed by independent officers and by an independent board of directors, giving to the business of the institution such a direction as they please, without any control from or necessary consultation with its neighboring institutions subject to the same law; nor is there any community of liabilities further than has been before mentioned, and it will be seen that nothing in those liabilities extends any community of security to the stockholders of the separate banks, or any community of risk and hazard beyond the obligation to contribute the one-half of one per cent upon their capital stock yearly, in case misfortunes to other institutions should make such a call necessary. Are we, then, to be told that this connection between independent banks constitutes a moneyed power to be feared, as is the power of a single bank of \$12,000,000 greater capital, wielded by a single board of directors, by a single set of officers, and the whole force and influence of which, for any purpose, may be directed to a single object and to a single point at pleasure? Sir, said Mr. W., I do not see the analogy. The New York banks are about seventy in number, embodying in the aggregate less than \$23,000,000 of capital; each owned separately by separate stockholders; each having separate objects and separate governments; all

the inducements to healthful rivalry open to each as against all the others ; with no common interest or band of union but the contingent liability to the trifling contribution before stated ; a liability, to say the most, not greater than is required to restrain ruinous competition. Are these banks such a moneyed power as to deserve a comparison with the Bank of the United States, with its \$35,000,000 of capital, wielded by a single hand ? The republicans of New York think not, and hence they choose their own system as much the lesser evil, and seek to rid themselves and the country of the power and influence of a single institution which they consider dangerous to liberty. This is my answer to the honorable Senator's remark that we seem to be inconsistent in professing to fear the power of the Bank of the United States, while we say nothing as to the power of our State banks.

“ Mr. President, said Mr. W., it has been said, here and elsewhere (I do not now refer to any remark of the Senator from Massachusetts), that this contribution from the State banks of New York might, by repeated failures, become perpetual, and might dangerously weaken those institutions. Sir, said Mr. W., if I am not in error, the State of Massachusetts imposes a permanent tax upon all the banks chartered by that commonwealth of one per cent per annum for the support of the government. This tax is just double the contribution which can be imposed upon the Safety Fund banks, and is perpetual without contingency ; it is, too, a tax for the support of the State government, in which the banks can have no interest subsequent to the payment, while the contributions from the New York banks inure to the benefit of the banks themselves, if a failure of some one of the institutions does not consume the fund. May I not, then, believe that apprehension upon this point will be no longer entertained ?

“ The honorable Senator entered his protest against what he called the war waged by the President against the bank. I propose, Mr. President, to examine the facts in relation to this controversy, and I feel great confidence in being able to satisfy those who hear me that this protest comes from the wrong quarter ; that the protest, if one is to be made, should come

from the other side. In what manner has the President of the United States waged war upon the bank? This inquiry will be answered by a reference to his various messages, but I will not trouble the Senate further than to read from a single one. I find, in the annual message communicated to Congress on the 8th day of December, 1829, the following notice of the bank :

“ ‘The charter of the Bank of the United States expires in 1836, and its stockholders will most probably apply for a renewal of their privileges. In order to avoid the evils resulting from precipitancy in a measure involving such important principles and such deep pecuniary interests, I feel that I cannot, in justice to the parties interested, too soon present it to the deliberate consideration of the Legislature and the people. Both the constitutionality and the expediency of the law creating this bank are well questioned by a large portion of our fellow-citizens; and it must be admitted by all that it has failed in the great end of establishing a uniform and sound currency.’

“ ‘This is the mention of the bank made in the first message of the President, and what is it? Not an attempt to interfere with the chartered rights and privileges of the institution, but a timely expression of doubt as to the propriety of its recharter, conveyed in the mildest language, and proceeding from the best of motives, to wit: ‘to avoid the evils resulting from precipitancy in a measure involving such important principles and such deep pecuniary interests.’ Was this a declaration of war against the bank? Was it an act of hostility to that institution, thus to warn it to prepare in time for its final close? Was it wrong in the President to say, what he knew to be true, that ‘both the constitutionality and the expediency of the law creating this bank are well questioned by a large portion of our fellow-citizens?’ Was it waging war against the bank to question the expediency of its recharter? Sir, the bank has chosen so to consider it; and in a publication recently made by its board of directors, the paragraph I have just read from the message of 1829 is termed an ‘assault’ upon the bank. Notices of a similar character, in substance, were taken of the bank in the two following annual messages; and in 1832, when both Houses of Congress passed a bill to recharter the institution, the President refused his assent to it, and in a respectful message communicated his reasons for that refusal to this body. This is all the war he has waged against

the bank; and the honorable Senator from Kentucky [Mr. Clay], upon a late occasion, told us that these messages were all 'non-committal' documents; that they did not even make known to Congress and the country the opinions of the President in relation to the bank. Permit me now, Mr. President, said Mr. W., to examine the other side of this controversy. Immediately after the publication of the message of the President, in December, 1829, the bank commenced its efforts against his re-election. By its own showing, its expenditures, for the printing and distribution of matter calculated and intended to influence public opinion, commenced at that period, and were continued in an increasing ratio through that whole presidential term. It made itself a political instrument, and acted in open and avowed hostility to the President. Who does not know, sir, that the immense sums paid for printing were so paid for printing political matter? Who does not know that the speeches made in this body upon the veto message, in July, 1832, were calculated and intended to influence the elections of the coming fall? I mean no disrespect, sir, to any individual by the remark. The speeches upon that occasion could not fail to have that tendency, nor can any one doubt that they were reprinted and broadly distributed by the bank because they were of that character. It is also abundantly shown to us that it caused to be printed, and spread over the whole country, newspapers and other political publications, with a profusion never before witnessed upon a similar occasion. These were the first steps in the war waged by the bank against the President. Upon a recent occasion, its board of directors have issued to the public, and laid upon our tables, a communication, in which, as if to mark the character of their hostility, they class the President of the United States with the persons who counterfeited their notes, and tell us that, as kindred subjects, they have received, and will receive, kindred treatment at the hands of the bank. Is not this, sir, waging war against the President? And who, then, should protest? I pronounce that the war is not one waged by the President against the bank, but a war waged by the bank against the President, and, as such, I protest against it. The country will protest against it; the people who have elected the President do and will protest against it.

“The honorable Senator intimated, in the course of his remarks, that I had, upon a former occasion, made an appeal to the prejudices of the people against banks. Sir, I have made no such appeal. I did appeal to their good sense, as applied to the information before them, in relation to the conduct of this institution to which I have just referred ; to its interference with the election of officers of the government ; to its open and avowed political action ; to its treatment of the President of their choice. I did appeal to the patriotism and love of liberty of the people against *this* bank for having thus exerted its immense moneyed power to corrupt the press, endanger the safety of our free institutions and control the government. This appeal I did make ; and I understood the honorable Senator, in the earnestness of debate, to permit himself to characterize it with the harsh appellation of a fraud. Sir, this may be the honorable gentlemen’s opinion, but, in matters of this sort, opinion is everything. Entertaining the opinions I entertain, it is the imperious duty of every representative of the people, here or elsewhere, to make and reiterate these appeals, not to the prejudices, but to the intelligence of our citizens ; to expose the profligate conduct of this bank ; to point out the danger to our free institutions of its continued existence, and to mark the progress of its moneyed power, ‘withering, as with a subtle poison,’ that purity and truth which are the only safeguards of freedom. Sir, had I, with my opinions, made declarations from my place here, calculated to produce alarm in the public mind ; to shake the confidence of the people in the public officers of their own choice ; to create distrust toward the local banks ; to unsettle dependence upon the credit and currency of the country generally ; and to produce a feeling of agitation and panic, I ought not to have been surprised even if the strong charge of an attempt to practice a fraud upon the public had been made against me. Entertaining the opinions I do, were I to attempt to convince the free citizens of this republic that the country cannot get on without the aid of an immense moneyed incorporation ; without the aid of a bank large enough to control all our moneyed operations ; large enough to control the government itself, and to convince them that the continuance of their liberties

are dependent upon such an institution, I should subject myself to the accusation of an attempt to lead them into error. I do not intend, Mr. President, in making these remarks, to impute any but the most honorable intentions to any member of this body, and I make them to show how very differently we view the same act; how very different our opinions are in reference to this bank. I think the honorable Senator could not have given sufficient weight to this consideration when he spoke of the course of any individual as fraudulent towards the public. It is my design, upon this as upon all occasions, to extend to others that charity I ask for myself, and while I claim sincerity of purpose for my own language, and my own acts, I as readily accord it to those who differ with me in opinion.

“Another remark of the honorable Senator appears to me to deserve a similar reply. He told us, in his usual emphatic manner, when speaking of appeals to the people, that he knew such appeals, sometimes, made little men great, but that great men never resorted to such expedients. I have before remarked that opinion, in matters of this sort, is everything. Now, without the least design to impute to the honorable member any motive which is not strictly pure, I must be permitted to say to him, that too ardent a friendship for an institution such as I, in my conscience, believe the Bank of the United States to be, may not make great men greater.

“The honorable Senator urges that this bank, having been chartered, and having incorporated itself and its transactions with the business of the country, ought not now to be thus suddenly destroyed. Is it right, sir, to call the destruction sudden? Did not the President, as long ago as in December, 1829, give it the most emphatic warning to prepare for its final close? Has he not done so annually, from that time to the present? What, Mr. President, was the effect of that warning? The whole debt due to the bank in December, 1829, when the first message of the President was transmitted to Congress, expressing doubts as to the constitutionality or expediency of a recharter of the bank, was, I think, about \$42,000,000, perhaps \$44,000,000, as I speak from memory, and cannot pretend to be precisely accurate. In May, 1832, this debt had increased to the enormous amount of

more than \$70,000,000, thus showing a constant and rapid extension of its loans as the final termination of its charter approached. Did the bank suppose that the grant of the monopoly to it for the period of twenty years gave it a right to expect or demand a continuance? Its constant extensions of its business as it approached the close of its chartered term would seem to indicate such an opinion; but I respectfully submit that the reverse ought to have been its conclusion. The privileges granted to it were of immense value, and a proper sense of the justice of Congress should have induced the stockholders to believe, even if the existence of a similar bank was to be continued in the country, that they would not be made, for a second term, the exclusive recipients of this great bounty.


“There is, Mr. President, said Mr. W., another view of this subject which strikes my mind with great force, and which, in my judgment, justifies the charge against the bank of a violation of one of its highest duties. The period of its existence was distinctly fixed upon the face of its charter, and it owed it to the country, as its highest duty, to prepare for that period in a manner which should enable it to go out of existence without a shock to any great national interest. The government conferred upon this institution privileges and benefits inestimable, and, in return for that liberality, it was its duty to come into existence, to pass its prescribed term, and to meet its close without being the cause of any convulsion in trade, or credit or currency. The bank was a creature of the law, and with the law it should have prepared itself to die quietly. This it has not done, but, on the contrary, as the termination of its legal existence approached, it has exerted its utmost power to strengthen its claims to a new existence. It has spread abroad its immense resources, and drawn within its vortex thousands of citizens, who, when the warning was given to it by the President to prepare for its dissolution, were free from its influence and independent of its power. It has pursued a course in direct contradiction to the dictates of interest, if it had intended to submit to the contract between it and the government, and to terminate its existence at the prescribed limit. Do I, then, said Mr. W., do injustice to the bank when I infer that this course has been adopted to force an exten-

sion of its charter? Other motive for the admitted conduct cannot be assigned.

“Still we are told that this bank must not be thus suddenly closed, because the shock given to trade and commerce, and the call upon debtors, will be greater than the country can sustain; and the bill before us proposes to extend its charter for the term of six years, to enable it to close its business. Sir, did not the President give to this institution more than six years’ notice, that it must close its affairs with the expiration of its present charter? Did it accept that notice and prepare itself for the event? So far from it, its business was at once extended, and by its own acts its final close rendered more and more difficult, without distress to the country. Grant it the time proposed by the bill before the Senate, and what assurance have we that, at the expiration of the first four years of the period, its debt will not be extended to \$100,000,000, instead of being reduced below \$55,000,000, where it now stands? A rapid curtailment has taken place for the last five months, a curtailment so rapid as to embarrass and distress the whole country, and to derange all its business operations, and still the debt due to the bank is more than \$12,000,000 greater than it was in December, 1829, when the President, by his message to Congress, warned it to prepare for its final close at the expiration of its charter. I must, Mr. President, be permitted to express my full conviction, drawn from these facts, that it is not the design of the bank to discharge its duty to the public by a quiet close of its affairs, but that, on the contrary, it is its settled purpose to force a re-existence, to overrule the government, coerce public opinion and compel a recharter.

“We are told, Mr. President, by the honorable Senator that we must have a national bank; and what, sir, is the reason urged, as conclusive upon us, to establish the position? It is the existence of the present pressure upon the money market of the country, said to exist in contemplation of the winding up of the present bank. Sir, said Mr. W., this proves to me merely not that we want a bank, but that we have a bank. Whence does the distress and pressure complained of proceed? It, no doubt, has its origin in a complication of causes, among which a general system of over-

trading and the change of the revenue laws are among the most important ; but I cannot doubt that by far the most powerful cause, at this time in operation, is the hostile attitude which the Bank of the United States has thought it for her interest to assume toward the State banks. We have it in evidence, among the documents of Congress, upon the oath of the chief officer of the bank, Mr. Biddle himself, that that institution has the power to crush the State banks at its pleasure ; that they exist by its clemency alone, and not because it has not the power to shut their doors. The evidences of a disposition to exert that power have, for the last few months, been strong and numerous. Have we not heard it predicted, Mr. President, from all sides of this chamber, that the State banks would be compelled to stop specie payments within a short period of time ? Have we not seen the bank press calling upon the community to make runs upon those banks ; telling the poor laborer, who had a five-dollar note of a State Bank, to call and get the specie for it before it became a valueless rag in his pocket. Can these indications have been mistaken, sir ? In the State which I have the honor, in part, to represent here, I am happy to know that they have not either been mistaken or disregarded, and I hope I may not find myself mistaken in the belief that the banks of that State are prepared to meet the blow intended for them. From the latest advices I have received, I am authorized to suppose that they have withdrawn from circulation and redeemed from \$4,000,000 to \$5,000,000 of their notes, within the last sixty or seventy days. The effect of this extensive curtailment upon the merchants, and, indeed, upon all classes of the community, must be severe, but self-protection and self-preservation require the course at the hands of the banks, and they have no volition. It would be madness for them not to prepare for their defense, when they are publicly told that this immense moneyed power, with \$35,000,000 of capital at command, is about to aim a deadly blow at them ; when they know it has vaunted its power over them, and proved upon oath that its forbearance was the tenure by which they held their existence. The banks, then, cannot extend themselves while this all-powerful enemy stands ready to take the first advantage of their exposure, and to push it to their ruin. Sir, is



there any other cause for this rapid curtailment, and this close defensive position assumed by the State banks? I know of none. **There** can be none. There is no peculiar demand for specie growing out of the state of trade, and the condition of exchange; but, **on the** contrary, the reverse is, to a greater extent, true, than it **has** been at any former period of our history. Specie is, at this moment, abundant in the country, and its flow is to, and not from us.

“ I cannot, then, be mistaken, when I say that if the Bank of the United States would cease its efforts for, and its hopes of a re-existence, and would endeavor to perform its duty to the country, by closing its affairs with as little injury as possible to any individual or public interest, the State banks would be able to extend their loans, confidence would be restored, and the pressure upon the money market would soon cease. Apprehension, a just apprehension of the hostile movements of this great institution, is the most powerful cause of the present scarcity of money. This scarcity must exist so long as this apprehension continues. How, then, is it to be allayed, would seem to be the pertinent inquiry. The honorable Senator from Massachusetts answers us by the bill upon your table. Recharter the bank; appease the monster by prolonging its existence and increasing its power. I say no, sir; but act promptly and refuse its wish; destroy its hope of a recharter, and you destroy its inducement to be hostile to the State institutions. A different interest, the interest of its stockholders, to wind up its affairs as profitably to themselves as possible, becomes its ruling object, and will direct its policy. The more prosperous the country, the more plenty the money of other institutions, the more easily and safely can this object be accomplished; and every hope of a continued existence being destroyed, that this will be the object of the bank is as certain as that its moneyed interest governs a moneyed incorporation. Mr. President, this is unquestionably the opinion of the country. Look, sir, at the files of memorials upon your table, and however widely they may differ as to their views of the bank, they all hold to you this language, ‘act speedily, and finally settle the question.’

“But we are told, sir, that the country cannot sustain the wind-

ing up of the affairs of this bank. Is this so? What does experience teach us upon this subject? The old bank of the United States, within four months of the close of its charter, was more extended in proportion to the amount of its capital than the present bank is at this moment, and still it is almost two years to the close of its charter. The old bank struggled as this does for a re-existence; the country was then alarmed; memorials in favor of the bank were then as now piled upon the tables of the members of Congress; the cries of distress rung through these halls then as distinctly as they now do; nay, more, gentlemen were then sent here from the commercial cities to be examined upon oath, before the committees of Congress, to prove the existence and the extent of the distress; business was then in a state of the utmost depression in all parts of the Union; commerce was literally suspended by the restrictive measures of the government; trade was dull beyond any former example; property of all kinds was unusually depressed in price; and the country was on the eve of a war with the most powerful nation in the world. Still Congress was unmoved and the old bank was not rechartered. Such is the history of that period, and, with the final action of Congress, all knowledge of the distress ceased. Who has ever heard of disasters to the business of the country proceeding from winding up of the old bank? I, sir, can find no trace of any such consequences. I do find that, in a period of about eighteen months after the expiration of the charter, the bank disposed of its other obligations and divided to its stockholders about eighty-eight per cent upon their stock.

“It is now admitted, on all hands, that the country is rich and prosperous in an unusual degree; property of all kinds is abundant; commerce is free and extensive, and flourishing, and business of every description is healthful and vigorous. If then we cannot, in this condition of things, sustain the closing of the affairs of this great moneyed incorporation, it is safe to assume that the country will never see the time when it can do it. Grant it longer life and deeper root, and in vain shall we try, in future, to shake it from us. It will dictate its own terms and command its own existence. Indeed, Mr. President, the whole tendency of the honorable Senator’s argument seemed to me to be, to prove the

necessity of a perpetual bank of this description, and we have been repeatedly told, during the debate of the last three months, that this free, and rich, and prosperous country, cannot get on without a great moneyed power of this description to regulate its affairs. The bill before the Senate proposes to repeal the monopolizing provisions in the existing charter, and the honorable Senator tells us that this is to be done, that Congress may, within the six years over which this is to extend the life of the present bank, establish a new bank to take its place, and into which the affairs of the old may be transferred so as to be finally closed without a shock to the country. Sir, this is not the relief I seek. My object is the entire discontinuance and eradication of this or any similar institution. We are told the distresses of the country will not permit this now. When, sir, will it ever permit it better? When will the time come that this odious institution can be finally closed with less distress than now? Never, while cupidity obeys its fixed laws.

“This distress, Mr. President, did not exist when we left our homes; we heard not of it then; it commenced with the commencement of our debates here, and I doubt not it will end when our debates end, and our final action is known, whatever may be the result to which we shall arrive. It must necessarily be temporary, and it does not prove to my mind the necessity of a bank, but the mischiefs a bank may produce. I care not whether it be, or be not, in the power of the bank to ameliorate the evils now complained of. That it can cause them in any manner, is proof that, if the disposition exists, it can cause them at pleasure; and this very fact is the strongest evidence, to my mind, that no institution, with such a power, ought to exist in this country.

“Sir, the subject of our present action involves two great principles: one of constitutional power, and one of governmental expediency. Upon neither should our action be governed solely by considerations of temporary derangement and distress in the money market. Revulsions in trade and business, and in pecuniary affairs, will happen. They must be temporary; the country will restore itself, and money will again be plenty; but the settlement of important principles must involve consequences of an enduring character, consequences which will exert an influence, for good or for evil, through all time.”

CHAPTER XLVIII.

DEFENSE OF GENERAL JACKSON'S PROTEST.

The Senate had passed resolutions on the 28th of March, 1834, condemning Gen. Jackson for the removal of the deposits from the Bank of the United States, and on the fifteenth of April he sent to the Senate a protest against their power to sit in judgment upon his conduct and their proceedings to condemn him unheard. The friends of the bank objected to receiving the protest and entering it upon the Senate journal, claiming that the protest was a breach of the privileges of the Senate. The motion against receiving and recording it was carried by a vote of 27 in its favor.

On the 5th of May, 1834, Mr. WRIGHT thus addressed the Senate :

“ Mr. WRIGHT arose and said, he had to thank the Senate for its indulgence in permitting him now to extricate himself from the unpleasant position in which he had, for several days, been placed in relation to the present debate. When he obtained the floor, four days ago, his principal and almost only object was to reply to some of the remarks which had on that day been made by the honorable Senator from Kentucky [Mr. Clay]. Although time had been given to him for further reflection, he still could not consider it his duty materially to alter that course. The proceedings of the morning had evinced to him a strong disposition in the Senate to close the debate, and he hoped not to occupy so much of their time as to show any other inclination. In answer to a suggestion which had fallen from some honorable Senator in the course of the morning, he believed he could say that the time which had elapsed since he had been entitled to the floor would not induce him to extend his remarks, or to make a larger draft upon the time of the body than he should have done

if he had been permitted to succeed the honorable Senator more immediately. The delay had been unpleasant to him, but he had tried to improve it to condense rather than to extend his remarks.

“The question before the Senate was the disposition which should be made, by that body, of the paper upon the table, denominated the President’s protest.

“The paper complained that the Senate had passed a sentence against the President, in its nature and character judicial, while the provisions of the Constitution had not been observed in the proceeding. It complained that the Senate had virtually constituted itself the impeaching body by the course it had taken, whereas the Constitution had conferred the sole power of impeachment upon the House of Representatives; that it had proceeded to final judgment and sentence against the accused, without allowing him a trial upon the accusation, or the privilege of being heard in his defense; that the laws for the organization of the Senate in such cases had not been observed, inasmuch as the Chief Justice of the Supreme Court had not been called to preside over its deliberations, and as no ‘oath or affirmation’ had been administered to the individual Senators,—a qualification which the Constitution expressly required to enable them to sit in the high court for the trial of impeachments. And it further complained that the sentence of the Senate had been pronounced and made a perpetual record, by entry upon its journal, without having received the vote of two-thirds, required by the Constitution to authorize the Senate to enter a judgment of guilty against any public officer.

“Mr. W. said it was not his purpose, at this time, to examine the justice of these complaints. Upon a former occasion, and when the resolution complained of was before the Senate, he had been indulged with the opportunity to submit his views upon all the important questions involved in the paper now under consideration. The deliberate conviction of his own mind then was, that the resolution was, and must be considered, judicial in its character; that its passage must be held as a final judgment upon an impeachment for the offenses specified in it, and that all the moral consequences of such a judgment, upon the officer against whom it was directed, might follow its record upon the journal

of the Senate. He had not, however, then been fortunate enough to convince the majority of the Senate that his positions were well taken, and he had no hope that a repetition of that effort would be attended with any better success now. Upon a careful review of the argument he had then made, he could not promise himself that he could mend or strengthen it by a repetition, and he would not consume the time of the Senate by an attempt to do so. He said he should hold himself excused from the discussion of these questions upon the present occasion, even if he had not attempted to establish them by argument when the resolution was under discussion, because the communication of the President argued them at large, and, in his humble judgment, that paper was its own best defense upon these points. He had not heard its material facts impugned, or its reasoning successfully assailed; and surely it was unnecessary for him to attempt to defend that which was already sufficiently defended. By any attempt to strengthen what seemed to him impregnable, he might impair a defense which did not call for his support.

“Mr. W. said his object would, therefore, be to give to the Senate, as concisely as he might, his views of the immediate questions presented for their decision, and then to proceed in his replies to the honorable Senator from Kentucky. In order, however, that the whole subject might be clearly understood, he considered it his duty, before he proceeded further, to correct one mistake which several gentlemen seemed to have fallen into at the early part of the discussion. He referred more particularly to both the honorable Senators from New Jersey, because their remarks were more clearly impressed upon his memory. They had spoken of the protest as embracing and complaining of the passage of both the resolutions offered by the honorable member from Kentucky. This was a mistake of fact, important in its bearing upon the discussion. It had been seen, upon the first appearance of the paper, that it was important to those who had sustained the resolution complained of, to show that it was connected with the legislation of the Senate, and was calculated to lead to legislative action. In their ardor to show this, gentlemen had carelessly blended the two resolutions, and had discussed the communication of the President as referring to both. This was

not so. One of the resolutions merely pronounced upon the official conduct of the President, while the other declared the reasons of the Secretary of the Treasury for the change of the public deposits from the Bank of the United States to the State banks ‘unsatisfactory and insufficient,’ in the judgment of the Senate. The latter resolution might lead to legislation, and, perhaps, was calculated to do so; for, if the reasons for the change of the deposits were considered unsatisfactory, the Senate might consider it proper to originate a law or joint resolution directing their restoration. This would be within the conceded jurisdiction of the Senate; and he had not heard that either the President or any one else denied the power of the Senate to take that course, or the propriety of its doing so. The protest, surely, contained no such denial, nor did it contain any reference whatever to this last-mentioned resolution. Its complaints were all directed to the first; to that resolution which pronounced the President guilty of unconstitutional and illegal acts, without any reference to legislation. The paper left no room for misconception or mistake upon this point, for it recited at length the resolution to which alone it referred. He must, therefore, insist that this point should be clearly understood hereafter; and that the President’s communication should not be either condemned or pronounced erroneous and false for complaining of an act of the Senate to which it did not contain the most remote reference. The resolutions were entirely independent of each other, and contained expressions of opinion upon separate and entirely independent subjects; and the President had only complained of that one which criminated him. Of that which simply pronounced upon the reasons of the Secretary he had said nothing.

“The points presented for the decision of the Senate, as the subject presented itself to his mind, Mr. W. said, were three:

“1st. Had the President a right to send the protest to the Senate?


“2d. Is it the duty of the Senate to receive it?

“3d. Is it the duty of the Senate to enter it upon its journal?

“Mr. W. said, in the course of the debate frequent reference had been made to the duty of the President, found in the Constitution in the following words:

“ ‘He shall, from time to time, give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.’

“And the question had been confidently asked, and more confidently repeated, ‘Where is the authority in this provision of the Constitution for the President to send to the Senate a paper of this character?’ He did not consider the communication now under discussion as having any relation whatever to the clause of the Constitution he had just read. It was not, in any sense, a communication giving ‘information of the state of the Union,’ nor did it recommend any measure to the consideration of Congress, nor was it a communication to Congress of any description. It was a communication to the Senate alone, simply remonstrating against a proceeding of that body condemning the official conduct of the President, and pronouncing him guilty of an impeachable offense. Mr. W. said he did not know that his views upon this point were correct, but he considered the right of the President to make this communication the same which every citizen of the United States possessed by the Constitution to address either or both Houses of Congress in a respectful manner, upon any subject in which his individual or official rights and interests are involved. What, said Mr. W., is the character of the communication before us? It states that a proceeding of the Senate has infringed upon the constitutional rights of the executive branch of the government; that we have pronounced the President, as such, guilty of an impeachable offense, and have thus visited upon his character and fame the moral effects, so far as our pronouncement may have weight, of a conviction for a high crime, although the legal consequences of a regular sentence, after a trial upon an impeachment, do not follow. Hence he feels himself aggrieved, both personally and officially, and he sends to us his remonstrance and protest against the injury. This is the paper, conceded on all hands to be respectful in its language and manner, and addressed to the justice of the body which has inflicted the injury. That any private citizen, who might feel himself aggrieved by the action of the Senate, would possess the right thus to remonstrate, will not be denied; and has the President lost that right because he happens to hold



the first office in the gift of the people? Is the possession of a public office to deprive the citizen of his constitutional right to protect his public and private character, or even of the humble right of complaint, when he shall consider his character and acts unjustly assailed? He, Mr. W., did not understand that any such limitation to the right of petition or remonstrance had been prescribed by the Constitution; he had not been able to find any such disability annexed to the possession of an honorable and responsible office, and he called upon honorable Senators to pause and reflect before they attempted, by their action in this instance, to establish a rule which might not only bind themselves, but take from them one of their most dear and invaluable rights. This was his view of the right of the President to send this paper to the Senate, and he could not but consider it as clear and indisputable as the right of any citizen of the country to petition the Senate for any purpose whatsoever.

“Is it, then, the duty of the Senate to receive the paper? His answer to this question was, that the duty of the Senate, as to the receipt of this paper, is the same with its duty as to the receipt of any petition or remonstrance, respectful in its language and manner, and addressed to the body. He could see no possible distinction; and surely, if he had succeeded in establishing the right of the President to send the paper to the Senate, upon the ground upon which he had put that right, there could be no distinction. Either was the constitutional right of the citizen; and that the injury complained of in this instance had a double bearing — that the President’s character, in an official as well as in a private sense, had been unjustly assailed and deeply injured, and that the remonstrance and protest reached and exposed the injury in both respects — could not affect the right to present the paper, or the duty of the Senate to receive it when presented. Mr. W. said he had already remarked that the communication was admitted upon all sides to be respectful in its language and manner, and he would not anticipate any objection to its receipt, founded upon exceptions in these particulars, so long as no such exceptions had been taken. His acquaintance with parliamentary rules was very limited; but he did understand it to be the duty of every legislative body, especially of the legislative bodies of this


country, to receive every petition and remonstrance, addressed to them in language respectful to the body and to its individual members, and, until this character should be denied to the paper before the Senate, he must consider it the imperative duty of the Senate to receive it.

“This, Mr. W. said, brought him to his third point : Is it the duty of the Senate to enter the protest of the President upon its journal ? This question he considered addressed itself to the justice of the Senate, and the entry of the paper upon the journal became a duty or not, as the Senate should or should not think its entry there an act of justice to itself and to the individual from whom it came. For himself, he could entertain no doubt that justice to the President, to the Senate and to the public, required that it should be made a perpetual record, by an entry upon the journal. The Senate had entered upon that journal, and pronounced to the world, the high charge against the President of a violation of the Constitution and laws. They had not given to the President any opportunity to offer his defense to their accusations, but, without notice to him, they had made them a part of their recorded proceedings ; and their journal, laid upon his table, and showing to him his conviction, was his only notice of their action. Feeling aggrieved personally and officially by the sentence itself, which he considers unjust, and by the manner in which it was pronounced, without notice to him, and without any opportunity on his part to defend himself, and, by exhibiting the truth, to defeat a conviction, he now makes this communication, setting forth the injustice of the proceeding of the Senate toward him, and presenting his defense to the charges made against him, so far as any such charges have been specifically set forth. This, his defense and exculpation, he respectfully requests may be entered upon the same journal upon which the Senate has recorded his guilt, in order that the record, which carries down to future ages the resolution condemning him, may carry along with it his justification. Is not the request a reasonable one ? Is it not an act of duty to the high officer accused that he should thus be permitted to perpetuate his defense against an irregular and informal condemnation by the Senate ? Is it not just to the President that his defense should be spread upon our journal by

the side of that condemnation which we have voluntarily pronounced against him, and that both should be embraced in the same record, and be thus left together for the inspection and judgment of our successors and the public? It is said, as a reason for refusing this communication a place upon the journal of the Senate, that the President has no right to demand its entry there. Sir, said Mr. W., he has made no such demand; he claims no right to make such a demand; he merely requests, respectfully requests, us to permit its being thus entered, to the end that in all future time the journal may exhibit the whole case. This request is a full admission, if one were needed, that the President makes no claim of right to have this paper spread upon our journal. Was ever such a request found in those communications which the President makes to Congress under the clause of the Constitution before quoted? Certainly not; and this simple fact shows most conclusively that the President did not consider this communication as coming at all within the class of communications there mentioned, or as made by virtue of the power there given, or rather the duty there imposed upon him. He sends his paper to the Senate as his personal and official defense against a personal and official accusation which we have entered upon our journal, and he asks of our justice, what he does not claim as a right, that we shall give the same perpetuity and publicity to his defense which we have given to our charges. It is further said, as a reason both for refusing to enter the communication upon our journal, and for refusing even to receive it, that it is in itself a breach of the privileges of the Senate. Mr. W. said he was little, very little acquainted with this doctrine of 'the privileges of Parliament.' He had never found it either pleasant or profitable to himself to study the doctrine, and after the examples given to the Senate, but a few days since, by the honorable Senator from Illinois [Mr. Kane], of the odious and disgusting ceremonies gravely practiced by a British House of Commons, by way of punishment for breaches of the 'privileges' of that legislative body, he felt sure that the Senate of the United States would not find its attachment to parliamentary privileges strengthened. Still, British precedents had been cited to justify the course which was proposed for the Senate in rela-

tion to this message from the President. So far as he had heard these precedents read, and so far as he had been able to examine them in the course of his partial research, he believed them all to be wholly inapplicable to the case before the Senate. They are all cases of communications from the Crown to the one or the other House of Parliament, pending some legislative action, and designed to influence that action. They are not complaints of individual injustice to the Prince, or of encroachments upon the powers and rights of the executive; but they are attempts on the part of the Crown to dictate to the Legislature its course of legislative action. Such is not the case before the Senate. Here is no effort to influence the action of the Senate, or the votes of Senators, for the votes had been given and the action was complete weeks before the communication came to the Senate. The communication relates to an act of the Senate, not legislative, but judicial in its nature and character, and the gravamen of the complaint is that the action had been completed and the sentence of the Senate passed without notice to the President, who was the accused officer, and without allowing him to be heard in his defense. Were it otherwise; had the President made a communication of this character to the Senate while the resolution complained of was before the body, and not definitely acted upon; and had the complaint then been made of an attempt by the President to influence the action of the Senate, it would have seemed to be worthy of some attention. But surely this objection comes too late, when our votes are recorded, our resolution adopted, and our action not only completed but passed beyond our power of recall. The paper before us is not designed to influence our action, but to show that we have acted unlawfully and unjustly, and have thereby deprived a distinguished citizen, and the highest officer in the government, of his constitutional and legal rights.

“But, said Mr. W., without dwelling longer upon this topic, let me caution gentlemen not to place too much reliance upon English precedents as being applicable to the legislative bodies of this country. We have written Constitutions, defining the rights and limiting the powers of all the departments of government. How is it in England? What is the Constitution of the govern-



ment of Great Britain? It is the will of Parliament. What are the 'privileges' of the British Parliament? They are the will of the British Parliament. Mr. W. said he believed that one of the highest courts in the kingdom had uniformly decided that it was incompetent for that court to adjudge what was and what was not a 'privilege' of Parliament, because the 'privileges of Parliament' were the will and pleasure of Parliament. Would any one contend that the privileges of the Congress of the United States are the will of the Congress of the United States? That the privileges of the Senate are the will of the Senate? Surely not; and how, then, can the decisions of the British Parliament, as to questions of 'privilege,' form safe precedents for the Congress of the United States? The power of the Parliament over the subject is supreme, and any decision it may please to make is the paramount law of the case. The power of Congress is confined to the specific grants of power to be found in the Constitution of the United States, and neither it nor either of its branches can claim privileges in contravention of that instrument, and of the constitutional rights of the citizen. Mr. W. said he could not consider British precedents upon the subject of parliamentary privilege as deserving of much weight when attempted to be applied to our institutions. He rather considered them as dangerous guides, calculated to mislead us in the rigid construction of our constitutional privileges, and to draw us towards those parliamentary claims which have proved the most dangerous to civil liberty — the claims of unrestrained legislative will as the measure of legislative privilege. Mr. W. said he knew of no privilege of the Senate, and he certainly was not conscious that any privilege of his own was violated by the protest; and he considered it not less the duty of the Senate than an act of justice to the President that it should be entered at length upon the journal, to remain forever with the high accusation to which it was an answer.

"Other precedents, Mr. W. said, had been cited for another purpose, drawn from the acts of the Senate itself. Reference had been made to the proceedings of the celebrated Panama mission, a leading measure of the late administration; and he understood the object of the reference to be to justify the Senate

in the passage of the resolution of which the protest complained. He felt it to be his duty to examine these precedents, because he was convinced that they would be found to have no possible application to that proceeding which they were adduced to justify. The cases would be seen to be wholly unlike in every material particular, and to exhibit no analogy and resemblance other than that which may be imagined between the views of the judge as to what the law is, wholly disconnected from any consideration of an act done or crime committed, and the opinion of that same judge, judicially pronounced, passing sentence of condemnation upon a culprit for a violation of that law. Even this resemblance, if it deserved that appellation, could only be traced between the case now under discussion and the first precedent cited. Between the present question and the latter precedent relied upon, he was unable to discover any relationship of any denomination whatsoever. He would not, however, ask the Senate to take his opinions as authority upon the subject, but he would detain them while he read the resolutions, that every Senator might form his own opinion as to the extent to which they were precedents for the unexampled condemnation which had been pronounced upon the official conduct of the President by the resolution complained of. He then read from the journal of the Senate of 1825-6, page 414, as follows:

“ ‘Mr. Branch submitted the following motion for consideration, which was read, and ordered to be printed, in confidence, for the use of the members:

“ ‘*Whereas*, The President of the United States, in his opening message to Congress, asserted that “invitations had been accepted, and that ministers on the part of the United States would be commissioned to attend the deliberations at Panama,” without submitting said nominations to the Senate; and whereas, in an executive communication of the 26th of December, 1825, although he submits the nominations, yet maintains the right, previously announced in his opening message, that he possesses an authority to make such appointments, and to commission them without the advice and consent of the Senate; and whereas a silent acquiescence on the part of this body may, at some future time, be drawn into dangerous precedent; therefore,

“ ‘*Resolved*, That the President of the United States does not constitutionally possess either the right or the power to appoint ambassadors or other public ministers, but with the advice and consent of the Senate, except when vacancies may happen in the recess.’

"This, said Mr. W., is the first precedent relied upon in the practice of the Senate; and what is it? The President asserts a power as constitutionally resting in his hands, but does not attempt its exercise. On the contrary, he does what the resolution declares he should do, and makes to the Senate the very nominations which the resolution declares should be made to that body before commissions issue; but in the communication transmitting the nominations he is understood to reassert the right to issue the commissions without first having obtained the advice and consent of the Senate. For over-caution, and lest the silence of the Senate might be held an acquiescence in the assertion of power made by the President, and lest that assertion and silence might, 'at some future time, be drawn into dangerous precedent,' the resolution is offered, counteracting the assertion of power made by the President. No official act of the President is complained of, but merely the assertion of an opinion which the mover of the resolution held to be erroneous, and contrary to the constitutional powers conferred upon the President. It is worthy of particular remark that no vote of the Senate appears ever to have been taken upon the resolution; and, therefore, it goes no farther as a precedent than that it was offered by an individual member of the Senate, received, and entered upon the journal, but never acted upon, adopted, or in any other way made the act of the Senate. As has been before remarked, the resolution refers to no act of the President, official or unofficial, other than an expression of an opinion as to his constitutional powers in the appointment and commissioning of foreign ministers. It neither answers nor condemns any act of the President, official or unofficial, but merely pronounces an opinion upon the point involved, contrary to the opinion entertained and expressed by the President, but never acted upon; and all the record shows is, that the then President believed he had the right, without the advice and consent of the Senate, to commission ministers to represent this government abroad, and at places and in relations where no such representatives of the government had before existed, and the Senator who offered the resolution did not believe that he possessed any such power. So much for the first precedent cited from our own authority to sustain the

action of the Senate in condemning, without trial, the President of the United States for his official acts.

“ Mr. W. then read from the same journal, page 461, as follows:

“ ‘A motion was made by Mr. Van Buren to amend the resolution by adding thereto the following:

“ ‘*Resolved*, That the Constitution of the United States, in authorizing the President of the United States to nominate, and, by the advice and consent of the Senate, appoint “ ambassadors and other public ministers,” authorizes the nomination and appointment to offices of a diplomatic character only, existing by virtue of international laws, and does not authorize the nomination and appointment (under the name of ministers) of representatives to an assembly of nations, like the proposed Congress of Panama, who, from the nature of their appointment, must be mere deputies, unknown to the law of nations, and without diplomatic character or privilege.

“ ‘*Resolved*, That the power of forming or entering (in any manner whatever) into new political associations or confederacies belongs to the people of the United States, in their sovereign character, being one of the powers which, not having been delegated to the government, are reserved to the States or people; and that it is not within the constitutional power of the federal government to appoint deputies, or representatives of any description, to represent the United States in the Congress of Panama, or to participate in the deliberation or discussion or recommendation or acts of that congress.

“ ‘*Resolved*, As the opinion of the Senate, that (waiving the question of constitutional power) the appointment of deputies to the Congress of Panama by the United States, according to the invitation given, and its conditional acceptance, would be a departure from that wise and settled policy by which the intercourse of the United States with foreign nations has hitherto been regulated, and may endanger the friendly relations which now happily exist between us and the Spanish-American States, by creating expectations that engagements will be entered into by us, at that congress, which the Senate could not ratify, and of which the people of the United States would not approve.

“ ‘*Resolved*, That the advantages of the proposed mission to the Congress of Panama, if attainable, would, in the opinion of the Senate, be better obtained, without such hazard, by the attendance of one of our present ministers near either of the Spanish governments, authorized to express the deep interest we feel in their prosperity, and instructed fully to explain (when requested) the great principles of our policy, but without being a member of that congress, and without power to commit the United States to any stipulated mode of enforcing those principles, in any supposed or possible state of the world.’

“ This, Mr. W. said, was the second precedent relied upon, and

from which quotations had been made, to sustain the resolution of the Senate of which the President complains in the protest. What is this authority? The resolutions deny the constitutional power of the President and Senate, under the authority given in that instrument, to appoint 'ambassadors and other public ministers,' to appoint representatives to a congress of nations, and assert that the character of such representatives would not be diplomatic, and that the persons appointed would not be entitled to diplomatic privileges; that the federal government, in all its branches, does not possess the constitutional power to enter into political associations and confederacies, new in their character, and unknown to the country, but that this is one of the powers reserved to the States or to the people; that the appointment of deputies to represent the United States in the proposed congress of nations at Panama would be a departure from the wise policy heretofore pursued by the government in its intercourse with foreign nations, and might endanger the friendly relations at the time existing between the United States and the Spanish-American States; and that all the valuable purposes of the proposed mission, or representation, might be better attained through the agency of some one of our diplomatic agents near those States. This is the substance of the four resolutions; and do they assume to condemn the official acts of the then President? Do they even assume to deny to him constitutional powers which they do not, at the same time, deny to the Senate itself, and to every other branch of the government? Mr. W. said he did not so understand them, and he had been wholly unable to trace the most remote analogy between these resolutions and that sentence of the Senate pronounced against the official acts of the President which they had been referred to to sustain. When these resolutions were offered to the Senate no effective act had been performed by any department of the government. The President had nominated what he called ministers to attend the congress of nations at Panama, but he had not attempted to commission and despatch them without the advice and consent of the Senate; and it was upon the question of giving this advice and consent that these resolutions, as well as that one which constituted the first precedent quoted, were offered to the attention of the Sen-

ate. The questions involved in both were those of constitutional power in some one or in all of the departments of the government, or questions of political expediency, as connected with the wise and safe administration of our foreign relations. No official act of any officer of the government, or of any department of the government, was either alluded to or proposed to be censured or condemned. The whole contest, in both cases, was one of opinion merely, and not of action; and, whichever way it should have resulted, no officer or department of the government was either impeached or condemned for acts in violation of the Constitution and laws. It is also a fact worthy of remark, and not to be overlooked, that these last resolutions were expressly rejected by the Senate, by a single vote taken upon the whole.

“Such, Mr. W. said, had been the success of the powerful advocates of the proceeding of the Senate in condemnation of the President, in their attempts to support, by precedent drawn from our own parliamentary history, the action of this body. Might he not, without injustice to any one, assume that a proceeding so novel, and which found such very slender supports, or rather such entire want of support from any former expression ever offered to either branch of Congress, must be, at least, doubtful as to either its legislative, executive or judicial propriety? He must be permitted to think that, whichever character should be claimed for this resolution of the Senate, it would be found equally indefensible in principle and precedent.

“Mr. W. said it now remained for him to reply, as briefly as possible, to some of the remarks of the honorable Senator from Kentucky [Mr. Clay], and, having done so, he would relieve the Senate from hearing him further.

“The honorable Senator told us, and I was somewhat surprised that he had been able to convince himself that such was the fact, that the advocates of the resolution uniformly avoided speaking of the motives of the President. Had the honorable gentleman forgotten that in almost the first sentence of his address, on opening the debate, he pronounced to the Senate and the country that the President was attempting to grasp all the powers of this government into his single hand? Had he forgotten how frequently that officer of the government was, during the course of

this debate, termed a despot, a usurper, a military chieftain; how often the harsh term of a 'robbery of the public treasury' was applied to the act of the removal of the deposits? [Here Mr. Clay explained. He said he did not intend to refer to the debates, in his remarks in relation to the President's motives; that what he had intended to say was, that the resolution contained no imputation upon his motives.] Mr. WRIGHT said he would accept the gentleman's explanation; for he felt sure, at the time he heard the remark, that it was not intended in its literal sense. The gentleman used the term 'advocates,' from which Mr. W. inferred that he alluded to the debates; but as his explanation seemed to admit that, in the debates upon the resolution, the motives of the President were not permitted to escape accusation, he would consider the remark as applied to the resolution itself. And what, said Mr. W., is the resolution, as it stands upon the journal? Is it merely an accusation, an indictment, an article of impeachment? No, sir. It is a judgment upon an accusation. It does not accuse; but assuming all anterior proceedings, it convicts. In vain, then, do gentlemen tell us that it does not, in its terms, refer to the motives of the President, and that an impeachment must accompany an accusation of crime, with an allegation of a corrupt or wicked intent. The position was true as to indictments, and might be true as to impeachments, though Mr. W. believed the allegation of wicked intent was not indispensable in the latter; but however that might be, no one would contend that any reference to the intention of the defendant is ever made in the entry upon the record of a criminal judgment. That entry merely pronounces the accused guilty of the crime, charged in the most general language; and the judgment thus entered carries with it, by necessary implication, all that is required to sustain itself. It relates back to the proceedings anterior to the judgment for the form of accusation, the allegations of intention, and all else which should have existed to sustain the judgment, and, in the absence of those proceedings, the entry of the judgment simply must be held as the strongest *prima facie* evidence that those preliminary proceedings were regular and sufficient. Such, Mr. W. said, was the light in which he viewed the resolution of the Senate. It pronounced the judg-


ment of a majority of the Senate upon an impeachable offense charged against the President. This pronunciation of a judgment of guilty was the only entry upon record, and that entry must, of necessity, carry with it the unavoidable implication of all the preliminary proceedings requisite to authorize the judgment to be so entered. Who, then, could say that the protest was wrong in thus stating the case? And who will say that the President was wrong in complaining of and protesting against this conviction, to whom it shall be known that no preliminary proceedings whatever were had; that no accusation was ever made, and that this general entry of a judgment of condemnation is the only step ever taken? Mr. W. said, if there were no other reason for entering the protest upon the journal of the Senate, this consideration alone, in his judgment, made it their imperious duty so to enter it, as an act of sheer justice to the President, because, without it, the journal would not show the true history of the transaction, and would not, therefore, be stripped of the unjust, and, as it would seem from the remarks of gentlemen in the debate, unintended implication to which he had alluded.

“Mr. President, said Mr. W., I was much pleased when the honorable Senator told us that this message of the President ought to be diffused; that he hoped a copy of it would reach the hands, and meet the eye and careful perusal of every man, woman and child in the country; and that he would gladly contribute from his own private means to give it circulation. I agree with him fully in this opinion and this wish; but, judging from the character and tendency of his remarks, we must have come to a like conclusion from very different views of the paper, and of the effects to be produced upon the public mind by its extended distribution. I think it eminently calculated to justify not only the motives but the acts of the President with the public; to arouse the public attention to the dangerous, and, as I think, unconstitutional exercise of power by this body, in their late condemnation of the President, without an impeachment and without a trial; and to extend the popularity of that worthless public servant, and strengthen the salutary principles of his administration. The honorable Senator must suppose that effect

precisely the reverse of these, will be produced by the circulation of this message, or, surely, he would not voluntarily contribute to its circulation. He, no doubt, thinks that the paper is calculated to produce a belief in the existence of those alarming encroachments of executive power against which he so frequently and so eloquently warns us. But whether the honorable Senator or myself be correct in our impressions as to the effect to be produced by the circulation of the message, so long as we both agree that important and salutary purposes would be accomplished by its universal distribution, ought we not also to agree upon the propriety and duty of making so important a paper, and from the reading of which we anticipate so important consequences, a matter of perpetual record upon our journal? I appeal to the honorable Senator to say whether the consequence he has himself attached to the message does not show that it ought to be perpetuated as a part of our national history. If it contain evidence of executive encroachments dangerous to our civil institutions, ought we not to spread it upon our journal, as a solemn warning to all future Presidents against the like attempts? If it unjustly assail the Senate, or any of its members, do we not owe it to ourselves and to our constituents to record the aggression and to place our answer and defense by its side? On the other hand, if, as I suppose, the Senate have encroached upon the constitutional rights of the executive, and the message exposes the violation of our powers, are we not bound, in strict justice to the President, to give the exposition a place upon the same record which contains our violation? In any sense, Mr. W. said, in which he could view the subject, the message ought to be entered upon the journal; and he was at a loss to know how gentlemen were able to reconcile it to their feelings to pronounce the paper important, and its wide circulation useful and desirable, and then contend that it ought not to be thus perpetuated. They could not desire to fix upon it this mark of the disapprobation of the Senate, to precede its circulation among the people. They could not fear its effects in the hands of our enlightened citizens, unless that effect shall be modified by this unfavorable treatment of the paper here. He did hope Senators would reflect upon the importance of the questions involved, and would give the message its

place upon the journal of the Senate. But, Mr. President, if the Senate shall conclude to refuse the paper an entry upon the journal, will they enter upon that journal the resolution before you, characterizing and condemning it? Will they pronounce the message unconstitutional, an encroachment of executive power, and a breach of the privileges of the Senate, and not let that journal show upon what that harsh judgment was formed? Will they compel us to record our names against the resolutions, and refuse us an entry of the paper to justify or condemn our course? I hope not. If the message is to be excluded, I do hope that the Senate will be content with its exclusion simply; and that, if its contents are to be examined for grounds upon which to condemn it, the paper itself may be allowed a place by the side of our condemning sentence, that all who hereafter read our journal may be able to judge between those who approve and those who disapprove it.

“Mr. W. said, the honorable Senator had told us that the President had not come here in the humbled and subdued tone of a convicted culprit, but in the tone and spirit indicating a feeling far above any tribunal of the country. He does not come here, sir, in the tone of a criminal or convict, for he is neither; but he comes here in the tone and spirit of an injured man. His personal and official rights have been assailed and violated, and a sentence has been pronounced against him calculated to have the moral influence, upon his character and fame, of a conviction for crime, while he has not even been constitutionally accused, much less tried or convicted. It is of this he complains. He is not resisting a judicial sentence, regularly pronounced, but an effort to visit upon him the evil consequences of such a sentence, without allowing him a trial, and against the positive provisions of the Constitution. Should he then come in the subdued spirit of a convict? But where does the Senate find authority for saying that the message displays a feeling in the President ‘far, far above any tribunal of the country?’ To what tribunals of the country is the President, as such, legally subject? To the House of Representatives, by way of impeachment, and to this body by way of trial upon such impeachment, and to the great tribunal of the people. Has he not in the message expressly recognized and



acknowledged his subjection, according to the provisions of the Constitution, to the two Houses of Congress? Is not his complaint that the provisions of that instrument have not been regarded in the late action of the Senate, but that this House of Congress has stepped by the other and assumed a jurisdiction not conferred upon it by the Constitution? And is not the message itself an appeal to the Senate against its own injustice, and, in effect, through the Senate, to the tribunal of public opinion, the only tribunal to which an appeal can be taken from the decisions of the Senate? Is it right, then, to say that the President, in his message, has exhibited a feeling above the tribunals of the country to which he is responsible? I am sure the Senator's sense of justice will show him that he does the President manifest wrong in this declaration.

"The conduct of the President, in sending this protest to the Senate, Mr. W. said, had been the subject of severe animadversion, and the act had been pronounced unprecedented and unauthorized. To rebut these suggestions, the Senator from Illinois [Mr. Kane] had presented a precedent from the Legislature of Pennsylvania, which was supposed strongly to support the course pursued by the President upon this occasion. The honorable Senator from Kentucky had commented upon the Pennsylvania case, and seemed to have satisfied himself that it did not go, in any degree, to support the communication of the President now before the Senate, and the request accompanying it, that it should be entered upon the journal. Mr. W. said it would be his duty very briefly to examine the two cases, that the Senate might the better determine how far the one would justify the other. He had understood the honorable Senator to say that the attempt was to impeach Governor McKean, then the Governor of the State of Pennsylvania, before the House of Representatives of that State, the body possessing, by the State Constitution, the power of impeachment; and that a committee of the House reported certain accusations against the Governor, concluding with instructions that articles of impeachment should be prepared; that a majority of the House, acting upon the report of the committee, negatived the accusations, and refused to order an impeachment; that the resolutions, by way of accusation, reported by the com-

mittee, although negatived by a majority of the House, were entered upon its journal in the due course of the action of the House upon them; and that, subsequent to the final action of the House, the Governor sent to it his defense against the accusations, which was received, and ordered to be entered upon the journal, that the accusation and defense might remain together as matter of record for all succeeding ages. This was the Pennsylvania case, as he had understood the honorable Senator to relate it, and as he understood the facts to be. What was the case now before the Senate? No attempt had been made to impeach the President before the House of Representatives, the body alone possessing the constitutional power to find an impeachment against him; but the Senate, passing by the action of the House, had proceeded in a summary manner, and without impeachment or trial, to pass a sentence of condemnation against him for a high crime, not assuming to act in its judicial character, as trying an impeachment, but in its legislative character, without any practical legislative purpose. Against this sentence, thus pronounced, the President remonstrates, and sends his remonstrance to the Senate, and one of the questions before us is, shall it be entered upon the journal? The Senator says, the case of Governor McKean is not an authority in favor of allowing the request of the President, because, in that case, there was an unsuccessful attempt to impeach, and the majority of the body to which the protest was sent justified the conduct of the officer; whereas here has been no attempt to impeach, but the majority of the Senate (the judicial tribunal) have condemned without impeachment, and as a mere legislative expression. What is the force of this reasoning? Where an attempt is made to accuse a public officer, which attempt is unsuccessful, because the majority of the impeaching body think him innocent, and refuse to accuse him, the officer shall have the right to defend himself against the unsuccessful accusations, and shall be permitted to spread his defense upon the same record where the rejected accusations are to be found; but if the body, not authorized to accuse, but judicially to try an accusation, shall overstep the accusing power, and pronounce their sentence without either accusation or trial, then the officer shall not be permitted to offer his defense, or to have it made a part

of that record which proclaims to the public his condemnation. Surely the Senator will not, upon more reflection, contend for so inconsistent a rule as this. In the one case the accusation is destroyed by the vote of a majority of the body to which it is submitted, and then the officer's defense is received and recorded; in the other case the sentence of guilty is entered upon its record by the judicial body, while neither accusation nor trial have preceded it, and then the defense is refused a place upon that same record. Can any one fail to see that, if the Pennsylvania case is good parliamentary authority, the case of the President, in this instance, is, in all respects, much stronger.

"This, Mr. W. said, brought him to the consideration of the resolution of the Senate, and of the various changes which it had undergone between the time of its introduction and the time when the vote of the Senate was taken upon it. The honorable Senator had said that 'the President had been declared by the Senate to have violated the Constitution and laws, in the particulars mentioned in the resolution.' Mr. W. said the remark struck him with peculiar force when it was made, as it appeared to him to evince an unchanged purpose in the mind of the Senator, although it indicated a forgetfulness of the material difference between the resolution in its present shape, and that resolution which he had at first proposed. One of the principal complaints in the protest, and one which he, Mr. W., thought entitled to peculiar weight, grew out of these changes of the resolution, and, that the force of that complaint might be accurately understood, he considered it his duty to call the attention of the Senate to what the resolution was, as introduced, to what it is, as passed, and to its progress from the one form to the other. The original resolution offered by the honorable Senator was in these words :

"*Resolved*, That by dismissing the late Secretary of the Treasury, because he would not, contrary to his sense of his own duty, remove the money of the United States in deposit with the Bank of the United States and its branches, in conformity with the President's opinion, and by appointing his successor to effect such removal, which has been done, the President has assumed the exercise of a power over the treasury of the United States not granted to him by the Constitution and laws, and dangerous to the liberties of the people.'

“ Here Mr. W. said, specific grounds of violation were assigned. In this shape of the resolution, the President could know what acts of his were complained of. Here, when he was charged with a violation of the Constitution and laws, he was told wherein the alleged violations consisted. The removal of the Secretary of the Treasury, because he declined to do a specified act, and the appointment of a successor to do that act, were the violations assigned. In this shape the resolution remained, without an intimation that it was to undergo any material change, until after the honorable Senator was in the occupation of the floor to make a final close of the debate. For full three months the debate continued, and was entirely directed to these specified acts of the President, the one side laboring to sustain the acts as constitutional and lawful, and the other side attempting, with equal perseverance, to prove them to be above and beyond the authority conferred upon the President by the Constitution and the law. On the morning of the second day of the honorable Senator's closing speech, he offered the following, as a modification of the original resolution :

“ ‘ *Resolved*, That, in taking upon himself the responsibility of removing the deposits of the public money from the Bank of the United States, the President of the United States has assumed the exercise of a power over the treasury of the United States not granted to him by the Constitution and laws, and dangerous to the liberties of the people.’

“ Here was a departure from the point which had been debated, and a new fact assumed, upon which the condemnation of the President was to rest. This modification charges upon him the removal of the deposits, and assigns that act as the assumption of a power ‘not granted to him by the Constitution and laws, and dangerous to the liberties of the people.’ Although objectionable as assuming new ground after the debate had closed, this proposition, like the original, pointed to a specific act, and assigned that act as the violation charged. After the honorable Senator had closed his remarks, and at the moment when the question was being stated from the chair, the modification above given was withdrawn, and the following was offered in its place, and in the place of the original resolution:


“ ‘ *Resolved*, That the President, in the late executive proceedings in rela-

tion to the public revenue, has assumed upon himself authority and power not conferred by the Constitution and laws, but in derogation of both.'

"No question having been taken upon the resolution, it was in the power of the mover to modify it at his pleasure, without any vote of the Senate, and, by the exercise of that right, on his part, it was made to assume the above shape, in which shape it was adopted by the Senate, as stated in the protest. Mr. W. said he considered this last modification of the resolution one of the most remarkable and indefensible steps in the proceeding of the Senate. Here the President is charged with a violation of the Constitution and laws, and no act of his, whatever, is named as constituting the violation complained of. The President is not informed wherein his guilt consists, though he is pronounced guilty of a high crime, and no man can say what act of his was the act which, in the mind of the Senate, constituted the violation the resolution pronounces against him. 'The late executive proceedings in relation to the public revenue' is the specification, while every one knows that there is not a day when 'executive proceedings in relation to the public revenue' do not take place. The President, then, may justify, to the satisfaction of every man in the country, every executive act of his official life relating to the public revenue, save one, and, be that act what it may, he stands condemned by this resolution, in consequence of it, of a violation of the Constitution and the laws, and it will be competent for those who voted for the resolution to assign that act in justification of their votes, even though the act itself shall never yet have been the subject of attention in the Senate. Are citizens and high public officers in this free country to be not only accused, but condemned, in this blind and general manner? Is the President of the United States, the first officer of the government, to be thus pronounced guilty of a high crime without notice and without a trial, and not to be told what acts of his life have drawn down upon him the heavy sentence? When this is done, as it has been done by the action of the Senate, is he to be denied the poor privilege of complaint, the humble satisfaction of pointing out the injustice?

Mr. W. said he was well aware that certain acts of the President were occupying the public attention, as the acts intended to

be condemned by the Senate in the passage of the resolution; and that those acts were the removal of the late and the appointment of the present Secretary of the Treasury, and the change of the deposits by the latter officer; or, if gentlemen please, by the President, through him, as his proper subordinate in the performance of that duty. But will it be now contended that these were the acts which influenced the majority of the Senate in the passage of the resolution? The first of those acts, to wit, the removal of the one secretary and the appointment of the other, were specifically assigned as the acts of violation, in the resolution as first offered by the honorable Senator. They remained the acts, and the only acts assigned, during the debate of three months. At the close of that debate they were withdrawn, surely for no other cause than that they would not sustain the conclusion sought to be pronounced. The removal of 'the deposits of the public moneys from the Bank of the United States,' was then substituted as the act of violation which was to constitute the President's guilt. This last act continued to be the specification during the closing day of the Senator's closing speech, only when it too was found insufficient to warrant the conclusion contained in the resolution, and was withdrawn to give place to the last-named modification, containing no other indication of the act or acts complained of than 'the late executive proceedings in relation to the public revenue;' more properly speaking, containing no specification of the act or acts of violation. Who can now say what act of the President has been pronounced by the Senate an assumption of 'authority and power not conferred by the Constitution and law, but in derogation of both?' Is it the removal of the late Secretary of the Treasury from office, or the cause for which that removal is said to have been made? No; for that act and its alleged cause have been assigned to support the resolution, and have been withdrawn. Is it the appointment of the present Secretary of the Treasury, with the intention that he should remove the deposits? No; for that act and intention have been assigned to support the resolution, and have been withdrawn. Is it both these acts, with the cause assigned for the one, and the intention imputed to the other? No; for all were assigned together and withdrawn



together. Is it the removal of the deposits, and the agency which the President had in that removal? No; for that removal, an act, the responsibility of which he is said to have taken upon himself, was assigned to support the resolution, and was, on the same day, withdrawn. Who, then, can say what act of the President has made him guilty of a violation of the law and the Constitution? And yet we censure him for complaining that he has been condemned without a hearing, and without being informed what has been his offense.

“Mr. W. said, the honorable Senator had told us that the President was the last man in the world who had a right to complain of the action of the Senate; that he should have left his grievances to the redress of public opinion. And is it so? Is the man who finds himself under sentence for a high crime, without even having known that he had been accused; without having been allowed a trial by his peers; without having been heard in his defense — the last man in the world who had a right to complain of the proceeding? Let me, said Mr. W., ask the honorable Senator, should he to-day find published to the world a judgment of the Supreme Court of the United States, convicting him of a high crime, and should that publication be the first notice to him that he was even accused, would he permit me to tell him, ‘You, sir, are the last man in the world who has a right to complain of the injustice. True it is, the sentence has gone forth against you, and its moral influence visits itself upon your character and fame, and upon the reputation and feelings of your family and friends; true it is that the sentence has been passed in direct violation of some of the dearest rights secured to you by the Constitution of your country; but you must not complain; you must leave your grievances to be redressed by public opinion, and you must not inform that public that your rights have been thus invaded?’ No, Mr. President, the honorable Senator would not permit me to address to him this language in the supposed case; he would complain, and give his complaints to the public, and I feel sure that reflection will convince him that he has laid down a rule for the President, in this instance, which he himself would not observe.

“Mr. W. said, he considered it proper, in this place, to notice

an argument of the honorable Senator, which seemed to him rather specious than sound, but which was calculated to mislead the public mind. The honorable gentleman, in his forcible and happy manner, inquired 'if the Senate can pronounce the act of the President constitutional, can they not also pronounce that same act unconstitutional?' And having thus shaped his position, he went on to say that the complaint was not that the Senate had acted upon the subject and expressed its opinion upon the President's official conduct, but that it had pronounced that opinion unfavorable. The position, Mr. W. said, was gratuitous, and not warranted by anything to be found in the message; and that one of the premises taken for granted was distinctly denied, and without that the reasoning and conclusion fell to the ground. It was not admitted, in a case where an impeachable charge was made, that the Senate could pronounce in favor of the officer accused, until the presentation of an impeachment enabled it to assume its judicial character, and to hear, try and determine the questions submitted. Mr. W. said he had, upon a former occasion, attempted to establish the position, that a judgment of acquittal was as much judicial as a judgment of conviction; and hence, that the *quo animo* of a public officer, charged with a violation of the Constitution and law, could not be examined legislatively, because such an examination, even for the sake of excusing the officer from criminal intent, must of necessity be judicial. He now repeated the same opinion; and to make it more plain to the Senate that exculpatory action in the case supposed would be a violation of its constitutional powers and duties, he would suppose a case growing out of the existing state of things. Suppose, then, that the opinion of the two Houses of Congress upon the subject of the removal of the public deposits were reversed; that the majority of the Senate believed that the executive had discharged his constitutional duty faithfully, and that the majority of the House of Representatives held a contrary opinion; that the House was proceeding to impeach the President for his acts upon that subject, and that the Senate should, pending that proceeding, in an assumed legislative character, originate and pass resolutions declaring constitutional and legal those very acts of the President upon which the House

were, at the time, founding articles of impeachment, as being violations of the Constitution and the law. Will any one doubt that such a judgment of acquittal by the Senate would be a violation of its duty as a judicial body, and a prejudging of a case about to be presented judicially before it? It is not, then, true that the Senate can properly pronounce in favor of an accused officer, until he is regularly put upon his trial before the body; and the argument of the Senator, based upon this assumption, wholly fails, and requires no further answer than the single allegation that the position belongs to the Senator himself, and not to anything to be found in the President's communication.

"Again, the honorable Senator contends that the President says, 'the Senate did not originally intend any legislation by the passage of the resolution.' As well in reference to the remarks of the honorable Senator upon this point, as to those of the member from New Jersey, who was not in his seat [Mr. Southard], Mr. W. said he deemed it important to see what the President had in fact said. He would, therefore, read from the second column of page four of the message, as published in pamphlet at the Globe office. The language was as follows:

" 'The resolution in question was introduced, discussed and passed, not as a joint, but as a separate resolution. It asserts no legislative power; proposes no legislative action; and neither possesses the form nor any of the attributes of a legislative measure. It does not appear to have been entertained or passed with any view or expectation of its issuing in a law or joint resolution, or in the repeal of any law or joint resolution, or in any other legislative action.'

"This, said Mr. W., is what the President has said upon the point, and I appeal to every Senator to say if the language bears out the declaration of the honorable Senator from Kentucky. It is merely that the resolution does not 'appear' to have been entertained or passed with a view to legislation. The President does not assume to assert the fact of intention and purpose, but merely the appearance. How, then, stands the case with the Senator from New Jersey? He went so far as to say that the President had stated what was untrue, and what he knew to be untrue in this particular. I believe, said Mr. W., that this was the first instance in which a Senator had so far forgotten himself,

and what was due to his situation, as, in his place, to charge the President of the United States with known and intentional falsehood; and I shall make no other answer to such a charge than to refer again to what the President has said, and to what the Senator did charge.

“Mr. W. said he must, however, draw the attention of the Senate to the fact that, in the whole course of the debate upon the resolution referred to, from the first sentence, almost, in the remarks made by the honorable Senator from Missouri [Mr. Benton], in opening the debate against the resolution, to the remarks made by himself at the close of the debate upon that side, it had been asserted and repeated that the resolution was judicial in its character; that it did not and could not lead to legislation, and that the action of the Senate upon it, legislatively, was palpably unconstitutional and a usurpation of power. In answer to these assertions and arguments he had not once heard an attempt to point out the legislation designed to be promoted by the passage of the resolution, though it had been contended that the Senate had a right to pass it to protect its legislative powers. He had not himself believed, when the resolution was before the Senate, that it was calculated to lead to any legislative action, and on and since its passage he had exercised his ingenuity in vain to conjecture what possible act of legislation could follow from it. His surprise, then, could be well imagined when he had heard the chief magistrate, a man who had never, by his most bitter enemy, been accused of evasion or subterfuge, directly charged with intentional falsehood for saying that this resolution did not ‘appear’ to have been entertained or passed with a view to legislation. He now called upon honorable gentlemen to point out the legislation intended to follow the expression of opinion contained in this resolution; and he must be permitted to hope that the charge of falsehood against the President, for speaking of the appearance only of the measure, would not be repeated until this call should be answered. The honorable Senator from Kentucky, while he contended that the resolution was intended to lead to legislation, admitted fully that any attempt to reduce the intent to practice was contingent, and depended upon the disposition of the other branch of Congress to concur with the views

of the Senate. This was another fact going far to justify the President, and much farther to show that no legislation, dependent upon such a contingency, could have been reasonably expected.

“The honorable Senator next introduced the subject of privilege, and, among other things, contended that the message was a breach of the privileges of the Senate, in its reference to the votes of individual Senators upon the resolution complained of. Mr. W. said he would make no other reply to this position than to repeat what had been already said by the honorable Senator from Illinois: ‘that the people of every State were as much the constituents of the President as they were of the Senators from the given State; that the relations between them and the President were more immediate than between them and their Senators; that the President had an equal right with any Senator to speak of the wishes of the people of the State from which the Senator might come, to exhibit the evidence of what those wishes were, and to draw conclusions from that evidence.’ This, if any, was the offense of the President here complained of. The Legislatures of certain States had instructed their Senators to support the President in the acts which the resolution condemns. Some of the Senators, so instructed, had felt it to be their duty to disregard their instructions, and to unite in the condemnation of the President for the acts which the Legislatures of their States have expressly approved. The President is called upon to make his defense against the condemnation thus pronounced upon him, and, among other things, he proceeds to show that his measures have been in accordance with the public will; that, in his judgment, an expression from a State Legislature is the most authentic evidence of the wishes of those whom that Legislature represents, when the people have not had an opportunity, directly through the ballot-boxes, to make their expression upon the point in controversy; that, assuming that evidence to be the true index of the will of the States mentioned, he is sustained by them; and that, had their Senators acted in accordance with this will, thus expressed, he should have been sustained, and not condemned by the Senate. The President expressly disclaims all intention to interfere with the relations between the Senators and their constituents, and says, in terms, that his only object in referring

to the action of their respective Legislatures was to connect those expressions with the history of the acts for which he had been accused. If this is to be denounced as a breach of the privileges of the Senate, we can effectually seal the lips of the President, so far as the opinions and wishes of the people of the States or the expressions of their respective Legislatures are concerned, lest in speaking of them, although his immediate constituents, he may be guilty of a trespass upon the privileges of this body.

“The honorable Senator next tells us that the President has no right to ask the Senate to record a message which proposes no legislative action. It has already been seen that the President does not demand that the message before the Senate should be recorded as a matter of right, but respectfully requests it as a matter of justice; not that it has any relation to those messages, upon subjects of legislation, which it is his duty, by the Constitution, to send to the Congress, but that it is a communication called from him by resolution of the Senate, unjustly accusing him of crime, and unconstitutionally encroaching upon his rights as a citizen and a public officer of the government. Thus much being premised, it is a sufficient answer to this position to say that, when the Senate shall abstain from expressions, spread upon its journal, condemning the President’s official acts, and thus bringing reproach upon him as a magistrate and a citizen, without any reference to legislative action, that officer will have no occasion to ask this body to record messages in answer to such expressions, and in defense of himself, which propose no legislative action.

“Mr. W. said he had now reached an argument not confined to the honorable Senator from Kentucky, but which had been used by most of those who had addressed the Senate upon the subject of the protest, on that side of the House. He referred to the allegation, so often repeated, that the President, in this paper, had set up a claim, on behalf of the executive branch of the government, to the possession and custody of not only the treasure, but all the property of the government, of every name and description whatsoever. To this argument, or rather allegation, he believed it was in his power to give, and he intended

to give, a full and perfect answer. It will be recollected, said Mr. W., that the protest appeared here on the seventeenth of the last month, and that upon the twenty-first, four days after, an explanatory communication was made by the President to that part of the paper from which this position is drawn. Upon the reading of the explanatory communication, an honorable Senator from South Carolina [Mr. Preston] took the floor, and congratulated the Senate 'upon the *retraxit*' of the President. Since that period, he, Mr. W., had understood the honorable gentleman to say that, upon a careful examination of the two papers, he had strong doubts whether the second paper was a '*retraxit*,' and whether the proper construction of the first message was not substantially that given to it by the second. The honorable Senator from Maine [Mr. Sprague] had said distinctly, on a late day, that the second message was no modification whatever of the first, but that all the claims of power, in the executive department of the government, made in the first message, were wholly unimpaired, and only rendered more obscure and unintelligible by the second. The honorable Senator from Kentucky, in the course of his remarks, adopted, in their whole extent, the positions taken by the Senator from Maine, and declared that they were so clear, so sound, and so fully applicable to the facts, that he would not spend the time of the Senate in attempting further to establish them.

"Here, then, Mr. President, said Mr. W., we have three distinguished gentlemen of the opposition, all perfectly agreeing that the explanatory message does not retract anything from the true and fair construction of that communication to which it was intended as an explanation, but that all the claims of power, be they right or be they wrong, which were made in the first message, are repeated and reasserted in the second. I, sir, fully agree with the gentlemen that this is so; and I congratulate the Senate and the country that, while every inch of ground upon this vexed topic is so strenuously contested, we have here a single point upon which there is no difference of opinion. Considering the point, therefore, as fully settled, that both the messages make the same claims of power, in the executive department of the government, as to the possession and custody of the public money

and property, and that there is no longer any dispute about that matter, Mr. W. said he would read from the explanatory message, to determine what these claims in fact were. The language of the President, he said, was as follows :

“ ‘I admit, without reserve, as I have before done, the constitutional power of the Legislature to prescribe by law the place in which the public money or other property is to be deposited; and to make such regulations concerning its custody, removal or disposition as they may think proper to enact. Nor do I claim for the executive any right to the possession or disposition of the public property or treasure, or any authority to interfere with the same, except when such possession, disposition or authority is given to him by law. Nor do I claim the right in any manner to supervise or interfere with the person intrusted with such property or treasure, unless he be an officer whose appointment is, under the Constitution and laws, devolved upon the President alone, or in conjunction with the Senate, and for whose conduct he is constitutionally responsible.’


“ Here, then, said Mr. W., by the consent of all, are the claims of power upon this deeply important part of the subject, the possession and custody of the public property and treasure. It is true, the honorable Senator from Maine has said that the above language only tends to obscurity and doubt; but, with all proper deference for the clear intellect of that honorable gentleman, I have not been able to discover the darkness or obscurity of the language I have just read from this second message — and so confident am I that nothing which I can address to the Senate will make it more clear and intelligible, either to the members of this body or to the intelligent citizens of the country generally, that I abstain from comment wholly, and most fearlessly leave the claims of power here set forth to be decided by the plain reading of the Constitution and the judgment of our constituents.

“ I next, said Mr. W., meet the augury of the honorable Senator from Kentucky. He says he told us, but a few weeks since, that the President would set up new claims of power derived from his oath of office, and that lo ! already his prophecy is fulfilled. How, Mr. President, is the fact? Has the President made any claim of power predicated upon his oath of office? I have discovered no such claim. He does tell us, in the protest, that he considered the constitutional rights of the executive department of the government infringed upon by the resolution of the

Senate; that these rights were intrusted to his care by virtue of his office, and that his oath made it the more imperatively his duty to defend them. Is this a claim of power from that oath, or is it a presentation of the oath as an obligation of duty which he could not forego? I understand the latter to be a fair construction of the President's language, and I cheerfully leave the decision of the point to those who will read the message. I must, however, be permitted to make a single inquiry as to the prophecy. Was it the result of a genuine spirit of divination, or did the conscience of the honorable Senator prompt him so correctly as to what would be the constitutional duty of the President, in the event of the passage of his resolution, that he was enabled to foretell the binding obligation of his oath, and to turn it into a new claim of power? In any event, it is ungenerous for the Senator to make this use of the President's reference to his official oath; for, in his remarks upon that very portion of the message, he told us that he too had taken an oath to support the Constitution, and that his oath compelled him to make the remarks which he then submitted to the Senate. He surely would not consider it just, in me, to charge him with having instituted a new claim of power, founded upon his oath of office, in consequence of that remark; and he should not, therefore, in a like case, make the same charge against the President.

"Mr. W. said the honorable Senator had asked, 'What has been the cause of the present tremendous agitation of the country—an agitation bordering upon civil war?' To answer the question, he must ask, what did the gentleman who differed from him propose as a remedy for that agitation? Was it a restoration of the public deposits to the Bank of the United States? [Here Mr Clay nodded assent to the question.] Mr. W. said the honorable Senator gave an affirmative to his inquiry, but he would find very few of his friends, either in or out of this House, who would agree with him. What had been the remedy almost universally demanded by the opponents of the administration in all portions of the country? The answer was simple,—a recharter of the Bank of the United States. That, and that alone, it was said, would quiet the agitations now prevailing as to the moneyed concerns of the country. Would the restora-

tion of the deposits do it — and how ? Only by a recharter of the bank. Mr. W. said he hazarded nothing in saying that, were it unalterably determined that the charter of the bank could not be extended, that institution would not accept, to-day, the public deposits, if offered to it. Should it do so ? The removal has been made, and the shock consequent upon that change had been experienced, and its effects had nearly ceased. Were, then, that immense institution to know that a final close must be made of its affairs by the 3d of March, 1836, could it desire the possession of these deposits for the short period of twenty months, with the certainty that they must then again be delivered to other hands ? Could it wish to create the shock which must be produced by taking them from the institutions where they now are, for the mere purpose of keeping them for that short period, during which its own capital will furnish it with more means than it can prudently use, with a due regard to its final close, and under the certain knowledge that the same shock must be again repeated when the expiration of its charter should compel it to cease its agency ? Such a desire is contrary to reason and to the interests of the institution, and cannot exist; and he who expects to quiet the present agitations in the public mind by a series of changes of the public deposits, such as this policy would produce, must have looked very partially into the true causes of the present state of things. No, Mr. President, the honorable Senator is wholly mistaken. Any disposition of the public deposits will not produce the quiet he supposes. A bank! a bank! is the cry. Look at the memorials upon your table, and say if that is not the remedy which the friends of the Senator almost universally point out. The honorable gentleman said it had been attempted to establish the belief that the question was ‘bank or no bank,’ with an evident allusion to some remarks made by myself upon a former occasion. Sir, I did then say the question was ‘bank or no bank,’ and I repeat the opinion with undiminished confidence. I do not question the sincerity of the honorable Senator’s opinion that certain executive encroachments are the great causes of these agitations; but I can assure him, as my sincere belief, that if himself and his friends would come to the conclusion to say ‘no bank,’ the agitations would instantly cease, and his imaginary



executive encroachments would appear, as I believe them to be, the ordinary action of the executive branch of the government. When the calm would come, it was out of his power to say ; but he believed, with the honorable Senator and others who had expressed similar opinions, that another trial was to take place at the ballot-boxes, before it would arrive. For himself, he would wait that trial patiently, and confident of the result.

“The expression of the honorable Senator, that the present agitations are bordering upon civil war, Mr. W. said he had heard with unfeigned regret. The time was one of excitement, and he was sorry to see efforts from any quarter to increase the passion which was already aroused. He did not believe such efforts would tend to any salutary result. For his own part, he had not permitted himself, for one moment, to be alarmed at the danger of civil war in this prosperous and happy country. He knew the intelligence and patriotism of our citizens too well not to know that they were not prepared to plunge the country into a civil war, to meet each other in the field of blood, and to point the bayonet at each other's breasts, for the sake of a bank. The honorable Senator need have no alarm upon that point. No blood would be shed in that way, to defend the fancied rights or to gratify the insatiable wants of a moneyed monopoly. If encroachments of power from any department of the government, dangerous to the liberties of the people and to the perpetuity of our free institutions, shall appear, they will be resisted and put down, not by the force of arms and the power of the sword, but by the silent and sure operation of a calm and enlightened public opinion and the power of the ballot-boxes. They will work all the revolution we are yet to experience, and it will be decisive and effectual.

“The honorable Senator, and my esteemed friend from Tennessee [Mr. Grundy], have discussed their respective claims to the ancient federal party, and to the modern appellation of whig, most satisfactorily to my feelings, and I have no disposition to interfere with either their claims or their protestations. I must be permitted, however, to say that I was pleased to hear the gentleman from Kentucky recognize his claim to the larger portion of that class of politicians. Still, I could not but

feel convinced that the honorable Senator permitted himself to do great injustice to the intelligent few of that party who, to use his own phrase, 'had gone over to Jacksonism.' Surely the gentleman will not deny that the great fault with these men has been the radical errors of their political faith, and he will freely admit that the renunciation of error is creditable both to the head and heart of him who, being convinced of his error, goes over to the truth. And as the numbers are small who have thus left the ranks of the honorable Senator, he ought not, on that account, to permit his feelings to characterize them so harshly as his remarks indicated.

"Mr. W. said there was one position of the honorable Senator, however, upon this point, which he could not admit. The honorable gentleman had stated that all the causes of these old political divisions had passed away. So far from it, said Mr. W., in my opinion, the very causes which mainly produced those divisions in 1789 have never, since that period, been in more active operation than at this moment. They have been brought again into action by the present controversy; and however individuals may change sides, the same great causes will continue to operate, whenever the principles which gave them existence shall be revived. Those causes form one of the strongest agents in the political excitements at present experienced, and they will continue to operate now, as they have ever done heretofore, while hope for their success can be kept alive with those who espouse the principles referred to.

"The honorable Senator, Mr. W. said, had closed his remarks with a prediction most appalling in its terms, and, if the prophet were infallible, which would effectually dishearten the friends of the administration in all parts of the country. It was, 'that this protest of the President would prove to be the last blow upon the last nail in the coffin of Jacksonism.' Mr. W. said he claimed no gift of prophecy, nor did he ever permit himself to speak with too much confidence of the future, or with too great certainty attempt to foretell future effects from present causes. It was not now his purpose to speak of this prediction with any such design; but he thought, for the encouragement of his political friends, he might be permitted to allude to a former prophetic

anticipation of the honorable member, to prove that his predictions had not always been fulfilled, and that, hitherto, he had not been an infallible prophet. During the session of 1832, and prior to the great contest for the presidency of that year, this same subject of the bank was before Congress. Then the President returned the bill to the Senate with his 'veto proper,' as I think it is classed in the honorable gentleman's classification. When that paper was under consideration, the Senator addressed this body, and indulged in the most confident anticipations of effects cheering to him and his friends and disastrous to the friends of the administration, to be produced by that veto. With his usual aptness in illustrations, he introduced Dr. Franklin's celebrated fable of the eagle and the cat, and dignified the friends of the administration by assigning to them the emblem of the eagle, while that of the cat was reserved for the bank. Having told the story, the result was announced in triumph and with evident exultation : the cat had brought the towering eagle to its own terms of capitulation and compromise. The event, however, did not realize the honorable gentleman's fond anticipations. The result of that election exhibited the administration with vast accessions of strength and a general improvement of prospects. The eagle was not brought to capitulate to the cat ; and, Mr. President, let me congratulate the honorable Senator and the country that his eagle yet soars aloft upon the dense atmosphere of an enlightened public opinion ; and happy am I to be able to say I have lost none of my confidence that his flight will continue to be upward and onward. But if that mousing cat shall ever succeed in bringing him to the ground, I can tell the Senator the proudest plumage in the eagle of his country will be soiled ; the spirit of that lofty bird will be forever broken ; and thereafter, if indeed he shall ever rise from the unnatural grasp, his flights may be expected to be made for hire, not from independent pride ; with the tamed spirit of the caged bird, not the rich luxuriance of his native freedom."

AN INVITATION DECLINED.

The first session of the twenty-third Congress closed on the 30th of June, 1834. At no period in our government had the debates in the Senate been conducted with more ability, or involved more important or momentous questions. No legislative body ever assembled was superior to the Senate in talent, or skill in discussions. It included a very large number of members who had had great experience in legislation, and other public affairs. Clay, Webster, Forsyth, Grundy, Benton, Calhoun and many others were in their prime. The young Senator from New York had sustained himself even beyond the expectations of his friends, and had proved that he was the equal of the ablest of them in parliamentary debate, which placed him in the front rank of statesmen. His eminent success, attracting the attention and securing the admiration of his friends at the State capital, had induced them to invite him to partake of a public dinner at Albany, on his way to Washington, prior to the next session. This he declined in a characteristic letter, from which we make an extract :

“You will believe me, gentlemen, when I say that from no quarter could such a mark of friendship and confidence come to me more acceptably than from the democratic citizens of Albany. With them for my associates and counselors, and under their personal observation, has much the largest portion of my public duties been discharged; and this evidence that I have been so fortunate as to secure their approbation is most gratifying, as it permits me to hope that my efforts to be faithful to the public have not been wholly unsuccessful. A proper attention to the same duties compels me to ask you, and those whom you represent, to excuse me from meeting you and them as you request. My short stay in the city must be wholly devoted to public business and public interests of great importance, a necessary attention to which brought me here thus early, on my way to the seat of government; and while I will not attempt to express my regret

that I cannot enjoy the social meeting to which you invite me, I am consoled by the reflection that the loss will be mine — not that of the friends who are thus partial to me.”

Mr. WRIGHT did not participate in the very common desire of mankind to attract public attention and to become the center of observation. He preferred to pass along in quiet, and devote his energies to his duties in life, whatever they might be. Although often invited to do so, it is not remembered that he ever accepted an invitation to partake of a public dinner tendered him.

CHAPTER XLIX.

THE BILL TO PAY FOR FRENCH SPOLIATIONS PRIOR TO 1800.

Whoever has been familiar with the debates in Congress for the last seventy years, must have heard of the French Spoliation Claims. They had their origin during the latter part of the last century, amid the armed conflicts in Europe, in which France was a party. During these, neutral commerce suffered severely. Under different pretenses American shipping interests were subject to many losses. The difficulties began as early as 1793, and continued until 1800. During the two last years of this period, the legislation of Congress and acts of violence and bloodshed at sea show that there was actual war between the United States and France. In 1800 a treaty of amity and commerce was entered into between the French Government and ours. In 1803, we purchased Louisiana of France, and agreed to pay a portion of the purchase-money to certain claimants, which we actually did. These unadjusted claims now amount to many millions of dollars.

The claimants not provided for in the treaty have insisted that the United States were bound to pay their demands, for the following reasons :

First. That our government had not used due diligence and proper exertions to obtain from France what she ought to pay them.

Second. That our government, by the treaty of 1800, had released these claims for a consideration, thus establishing an equitable, if not a legal claim.

Those opposed to the claims have uniformly denied the charge of negligence, or that any release was ever actually

made, or intended to be, even by implication. The affirmative of these questions rests with the claimants. Those insisting that the government was in nowise liable have ever assumed that there was not the slightest evidence to sustain either point.

Mr. WRIGHT opposed these claims in an extended speech, from which extracts are given sufficiently at length to show why he took ground against them. He said :

“He felt safe in the assertion that during no equal period in the history of our government could there be found such untiring and unremitted exertions to obtain justice for citizens who had been injured in their properties by the unlawful acts of a foreign power. Any one who would read the mass of diplomatic correspondence between this government and France, from 1793 to 1798, and who would mark the frequent and extraordinary missions, bearing constantly in mind that the recovery of these claims was the only ground upon our part for the whole negotiation, would find it difficult to say where negligence toward the rights and interests of its citizens is imputable to the government of the United States during this period. He was not aware that such an imputation had been or would be made; but sure he was that it could not be made with justice, or sustained by the facts upon the record. No liability, therefore, equitable or legal, has been incurred up to the year 1798.

“And if, said Mr. W., negligence is not imputable prior to 1798, and no liability had then been incurred, how is it for the second period, from 1798 to 1800? The efforts of the former period were negotiation, constant, earnest, extraordinary negotiation. What were they for the latter period? His answer was, war, actual, open war; and he believed the statute book of the United States would justify him in the position. He was well aware that this point would be strenuously controverted, because the friends of the bill would admit that, if a state of war between the two countries did exist, it put an end to claims existing prior to the war, and not provided for in the treaty of peace, as well as to all pretense for claims to indemnity for injuries to

our commerce committed by our enemy in time of war. Mr. W. said he had found the evidences so numerous to establish his position that a state of actual war did exist, that he had been quite at a loss from what portion of the testimony of record to make his selections, so as to establish the fact beyond reasonable dispute, and, at the same time, not to weary the Senate by tedious references to laws and documents. He had finally concluded to confine himself exclusively to the statute book, as the highest possible evidence, as in his judgment entirely conclusive, and as being susceptible of an arrangement and condensation which would convey to the Senate the whole material evidence in a satisfactory manner, and in less compass than the proofs to be drawn from any other source. He had, therefore, made a very brief abstract of a few statutes, which he would read in his place."

After reading from numerous acts of Congress, clearly proving the existence of actual war, he said :

"He had now closed the references he proposed to make to the laws of Congress, to prove that war, actual war, existed between the United States and France, from July, 1798, until that war was terminated by the treaty of the 30th of September, 1800. He had, he hoped, before shown that the measures of Congress, up to the passage of the act of Congress of the 25th of June, 1798, and including that act, were appropriate measures preparatory to a state of war ; and he had now shown a total suspension of the peaceable relations between the two governments, by the declaration of Congress that the treaties should no longer be considered binding and obligatory upon our government or its citizens. What, then, but war could be inferred from an indiscriminate direction to our public armed vessels, put in a state of preparation by preparatory acts, to capture all armed French vessels upon the high seas, and from granting commissions to our whole commercial marine, also armed by the operation of previous acts of Congress, authorizing them to make the same captures, with regulations applicable to both for the condemnation of the prizes, the distribution of the prize money, and the detention, support and exchange of the prisoners taken

in the captured vessels? Will any man, said Mr. W., call this a state of peace?"

Mr. WRIGHT proceeded:

"He said he was not deeply read in the treatises upon national law, and he should never dispute with that learned gentleman upon the technical definitions of peace and war, as given in the books; but his appeal was to the plain sense of every Senator and every citizen of the country. Would either call that state of things which he had described, and which he had shown to exist from the highest of all evidence, the laws of Congress alone, peace? It was a state of open and undisguised hostility, of force opposed to force, of war upon the ocean, as far as our government were in command of the means to carry on a maritime war. If it was peace, he should like to be informed by the friends of the bill what would be war. This was violence and bloodshed, the power of one nation against the power of the other, reciprocally exhibited by physical force.

"Couple with this the withdrawal by France of her minister from this government, and her refusal to receive the American commission, consisting of Messrs. Marshall, Pinckney and Gerry, and the consequent suspension of negotiations between the two governments during the period referred to, and, Mr. W. said, if the facts and the national records did not show a state of war, he was at a loss to know what state of things between nations should be called war.

"Mr. W. said he now came to the consideration of the liability of the United States to these claimants, in case it shall be determined by the Senate that a war between France and the United States had not existed to bar all ground of claim either against France or the United States. He understood the claimants to put this liability upon the assertion that the government of the United States had released their claims against France by the treaty of the 30th of September, 1800, and that the release was made for a full and valuable consideration passing to the United States, which in law and equity made it their duty to pay the claims. The consideration passing to the United States is alleged to be their release from the onerous obligations imposed upon

them by the treaties of amity and commerce and alliance of 1778, and the consular convention of 1778, and especially and principally by the seventeenth article of the treaty of amity and commerce, in relation to armed vessels, privateers and prizes, and by the eleventh article of the treaty of alliance, containing the mutual guarantees.

“The release, Mr. W. said, was claimed to have been made in the striking out, by the Senate of the United States, of the second article of the treaty of 30th September, 1800, as that article was originally inserted and agreed upon by the respective negotiators of the two powers, and as it stood at the time the treaty was signed. To cause this point to be clearly understood, it would be necessary for him to trouble the Senate with a history of the ratification of this treaty. The second article, as inserted by the negotiators, and as standing at the time of the signing of the treaty, was in the following words :

“‘ART. 2. The ministers plenipotentiary of the two powers not being able to agree, at present, respecting the treaty of alliance of 6th February, 1778, the treaty of amity and commerce of the same date, and the convention of 14th November, 1788, nor upon the indemnities mutually due or claimed, the parties will negotiate further upon these subjects at a convenient time ; and, until they may have agreed upon these points, the said treaties and convention shall have no operation, and the relations of the two countries shall be regulated as follows.’

“The Senate refused to advise and consent to this article, and expunged it from the treaty, inserting in its place the following :

“‘It is agreed that the present convention shall be in force for the term of eight years from the time of the exchange of the ratifications.’

“In this shape, and with this modification, the treaty was duly ratified by the President of the United States, and returned to the French government for its dissent or concurrence. Bonaparte, then First Consul, concurred in the modification made by the Senate, in the following language, and upon the condition therein expressed :

“‘The Government of the United States having added to its ratification that the convention should be in force for the space of eight years, and having omitted the second article, the government of the French Republic consents to accept, ratify and confirm the above convention, with the addition, purporting that the convention shall be in force for the space of eight years,

and with the retrenchment of the second article : *Provided*, That, by this retrenchment, the two States renounce the respective pretensions which are the object of the said article.'

"This ratification by the French Republic, thus qualified, was returned to the United States, and the treaty, with the respective conditional ratifications, was again submitted by the President of the United States to the Senate. That body 'resolved that they considered the said convention as fully ratified, and returned the same to the President for the usual promulgation ;' whereupon he completed the ratification in the usual forms and by the usual publication.

"What was the value or the burden of such an obligation upon the United States? for this was the only obligation from which our government was released by striking out the article. The value, Mr. W. said, was the value of the privilege, being perfectly at liberty in the premises of assenting to or dissenting from a bad bargain, — a matter of negotiation between ourselves and a foreign power. This was the consideration passing to the United States, and, so far as he was able to view the subject, this was all the consideration the government had received, if it be granted (which he must by no means be understood to admit) that the striking out of the article was a release of the claims, and that such release was intended as a consideration for the benefits to accrue from the act.

"Mr. W. said he felt bound to dwell for a moment upon this point. What was the value of an obligation to negotiate 'at a convenient time?' Was it anything to be valued? The 'convenient time' might never arrive; or, if it did arrive, and negotiations were opened, were not the government as much at liberty, as in any other case of negotiation, to refuse propositions which were deemed disadvantageous to itself?

"He could not view the obligation released — a mere obligation to negotiate — as onerous at all, or as forming any consideration whatever for a pecuniary liability, much less for a liability for millions.

"He had now, Mr. W. said, attempted to establish the following propositions, viz. :

"1. That a state of actual war, by which he meant a state of

actual hostilities and of force, and an interruption of all diplomatic or friendly intercourse between the United States and France, had existed from the time of the passage of the acts of the 7th and 9th July, 1798, before referred to, until the sending of the negotiators, Ellsworth, Davie and Murray, in 1800, to make a treaty which put an end to the hostilities existing, upon the best terms that could be obtained; and that the treaty of the 30th of September, 1800, concluded by these negotiators, was, in fact, and so far as private claims were concerned, to be considered as a treaty of peace, and to conclude all such claims, not reserved by it, as finally ratified by the two powers.

“ 2. That the treaty of amity and commerce, and the treaty of alliance of 1778, as well as the consular convention of 1788, were suspended by the second article of the treaty of 1800, and from that time became mere matters for negotiation between the parties at a convenient time; that, therefore, the desire to get rid of these treaties, and of any ‘onerous obligations’ contained in them, was only the desire to get rid of an obligation to negotiate ‘at a convenient time;’ and that such a consideration could not have induced the Senate of the United States to expunge that article from the treaty, if thereby that body had supposed it was imposing upon the country a liability to pay to its citizens the sum of \$5,000,000—a sum much larger than France had asked, in money, for a full discharge from the ‘onerous obligations’ relied upon.

“ 3. That the treaty of 1800 reserved and provided for certain portions of the claims; that payment, according to such reservations, was made under the treaty of 1803, and that it is at least doubtful whether the payment thus made did not cover all the claims ever admitted, or ever intended to be paid by France; for which reason the expunging of the second article of the treaty of 1800 by the Senate of the United States, in all probability, released nothing which ever had, or which was ever likely to have, value.

“ Mr. W. said, if he had been successful in establishing either of these positions, there was an end of the claims, and, by consequence, a defeat of the bill.”

The bill then pending passed the Senate by a vote of 25 to 20, on the 3d of February, 1835, and was sent to the House of Representatives. In the House there were motions to commit the bill to the Committee of Ways and Means, on Claims, on Foreign Affairs, and, by the author, to that on the Judiciary. After a long discussion it was finally sent to the Committee on Foreign Relations, which, on the twenty-first of the month, reported that there was not sufficient time of the session left to consider and act upon it, and the committee were discharged from its further consideration.

During Mr. Pierce's administration a bill for the payment of these claims was passed, which encountered his veto and failed to become a law.

CHAPTER L

EXECUTIVE PATRONAGE, OR THE REPEAL OF THE FOUR-YEAR LAW.

In the earlier days of the republic, there was no limitation of the term of service of any officer appointed by the President, except judges under the Constitution. Vacancies came only by death or removal. Few died, and removing was often a disagreeable duty, frequently discharged with extreme reluctance. It was deemed fitting and proper for each incoming President to make changes, so as to secure the assistance of known friends to aid him in the discharge of his constitutional duties, enemies not being deemed suitable for that purpose. This induced Congress, prior to Mr. Monroe's second election, when it was supposed another might be elected in his place, to pass an act limiting the term of office to four years — the presidential term — of district attorneys, collectors of the customs, naval officers and surveyors of the customs, navy agents, receivers of public moneys for lands, registers of land offices, paymasters in the army, the apothecaries-general and the commissary-general of purchases.

By the act of 1789, creating the office, the term of service of marshals was limited to four years.

On the 6th of January, 1835, Mr. Calhoun moved a select committee of six to inquire into the matter of executive patronage and its reduction, and one was appointed of which he was chairman. This committee, through their chairman, reported on the ninth of February, and presented three propositions. The first proposed to amend the Constitution, so as to authorize the distribution of the surplus revenues among the States and Terri-

tories until 1843. The second, to regulate the deposits of the public money, and the third, to repeal that portion of the act of 1820, as to the limitation of the official term of service of the officers therein named. This last proposition was made the special order for a subsequent day. On the 13th of February, Mr. Calhoun opened the discussion on this bill, which was continued several days, and the bill finally passed the Senate on the twenty-first, by a vote of 31 to 16; but it subsequently failed in the House.

The debate on it took a very wide range. One of its provisions required the President, in case of a vacancy made by removal, when nominating for filling it, to assign his reasons for the removal. An amendment was proposed by Mr. Clay, declaring that "the power of removal shall be exercised only in concurrence with the Senate." Mr. Webster questioned the constitutional right of removal. In this opinion many concurred; some insisting that "the tenure of office, when the duties were properly performed, ought to be as stable as a freehold." Great fears were expressed that the executive would, by his patronage, absorb all the powers of the Government and control its whole action, thus enabling him, practically, to play the uncontrolled despot. These, and the like arguments, were answered with great power by able Senators.

On the 16th of February, 1835, Mr. WRIGHT addressed the Senate, at length, on the subject before them, as follows:

"Mr. WRIGHT said he had hoped that some one of the individuals who had been so emphatically called upon by the honorable Senator from Kentucky [Mr. Clay], on a former day, as the leaders of the administration party, would have come forward in the debate then pending, and thus have saved him the trouble of addressing the Senate. But, as no such individual appeared, and as the bill was about to be reported, he felt bound to give his humble voice against it, before it proceeded further.

“He could not, he said, pursue the course which an answer to the argument of the learned Senator, who had just resumed his seat [Mr. Webster], would require, nor could he comply with the call and intimation of the Senator from Kentucky, to which he had alluded.

“His object was to repel an implication which might attend the passage of this bill, and for that purpose to refer to such portions of the report of the committee as appeared to him to relate to the provisions of the bill itself, and the considerations involved in the legislation proposed. He did not intend to notice, upon this occasion, any other parts of the report than those which treated of the patronage of the executive, growing out of his connection with and influence over persons dependent upon and receiving their support from the government. The bill under consideration was all the legislation proposed by the committee in reference to this part of the executive patronage, and he must suppose that so much of the report as discussed this point was the legitimate subject of comment in connection with the bill.

“Mr. W. said he did not understand the rule of order to be that laid down by the Senator from New Jersey [Mr. Southard], when he addressed the Senate on Friday last. He had understood that honorable gentleman then to state that the report of the committee was not before the Senate, and proper matter for remark, while proceeding upon this bill. He held a different rule. The bill was reported by a select committee of the Senate. It was one of the results to which that committee had arrived, after great labor and deliberation, and they had spread before the Senate a mass of facts and a long train of reasoning as the grounds upon which the bill was recommended to the acceptance of the body. Could it, then, be true that these facts and this reasoning, constituting the report of the committee, were not proper subjects for remark when acting upon the bill? He was sure the honorable Senator, upon more mature reflection, would change his opinion, and hold the report fully before the Senate. He believed that any and every part of the report might be properly discussed upon either of the propositions with which the committee had concluded, but he did not choose, himself, to

notice more of it now than was pertinent to the matter before him.

“Mr. W. said he must be permitted to remark, before he proceeded, that he had been wholly unable to feel or discover the necessity for the somber and alarming picture of danger to our happy form of government which the committee had thought it their duty to present. He could not feel that the safety or perpetuity of our institutions was peculiarly threatened at the present, more than at any former period of our history. On the contrary, he had supposed he could justly felicitate the Senate and the country upon the fact, which he had expected would have been admitted by all, that our condition was rapidly improving. No man in these seats had forgotten the picture drawn to our imaginations twelve months since — a picture which not only shocked us, but shocked this whole widely-extended country to a degree never before witnessed in the period of his recollection. Then, however, executive patronage was not the danger, but executive usurpation. The sword and the purse of the nation were in one hand, and our liberties were about to be cloven down. The fractured and broken pillars of the Constitution were scattered before us, to display the ruin which had been made, and to warn us of the danger which impended.

“That time and that danger had gone by. A distinct issue was formed and submitted to the sober and intelligent sense of the American people, and their decision had put an end to the agitation. Executive patronage was then a consideration too trifling to have a place in the leading discussions. Some mention of an army of 40,000 office-holders might have been made, but they were incidental and unimportant. Usurpation was the order of the day, and tyranny and despotism were upon us. Mr. W. said he supposed he might congratulate every patriot and lover of his country that this great danger had been passed, and its horrible evils averted, by the single and silent operation of an election ; and he had hoped that increased confidence in the safety and durability of our institutions would have followed this gratifying experience. How different was the fact ? He now found, in the report of the committee before him, abundant evidence — if the sad imaginings of the committee were facts —

that we were much nearer final ruin than at the period to which he had alluded. Now, usurpations by the executive had ceased to be dangerous, but the great patronage in the hands of the President was fast driving this fine ship of State upon the rocks, and imminently threatening the only free government in the world with utter and irretrievable ruin.

“Under this renewed attempt to excite alarm and apprehension in the minds of the peaceful citizens of the country, he felt it to be his imperative duty to proclaim an entire absence of the threatened dangers. The country was sound and healthful, and prosperous and happy, and the patronage of the executive was not to corrupt its morals, endanger its peace or destroy its liberties. The mistake of the committee had proceeded from the assumption of premises wholly erroneous, and the consequent deduction of unfounded conclusions.

“Mr. W. said he would proceed to show this by a partial analysis of their principal fact, and by an exposition of the fallacious conclusions drawn from it. They state that the number of persons dependent upon the government for support is 100,079, and they assume that all such persons are ‘supple instruments of power.’ This great number of persons, thus exhibited and thus characterized, was calculated to startle the mind. It had shocked him when he first heard the report read at the secretary’s table. He had heard much said during the last year, both at home and here, by the opponents of the administration, of the danger to the country from an army of 40,000 office-holders, but his fears had not been excited, and he had never attempted to examine the composition of the corps. When, however, he found the number swelled, by the report of the committee, to more than 100,000, he felt impelled to inquire who were these 100,000 men paid by this free government that they might wield public opinion to its destruction. He had made the inquiry, and to exhibit the results to the Senate and the country, and thus to repel the alarming implication of danger to our institutions which might otherwise arise from our action upon this bill, was the principal object he had in view upon the present occasion.

“First, then, he found the whole army, officers, soldiers, waiters, and dependents, included in the list. And are the soldiers of our

little army, said Mr. W., to be held up to the country as a body of men wielding its public opinion and directing it to the destruction of our institutions? Are they to be pointed at as objects of jealousy and apprehension? Where are they, Mr. President? Almost the whole body of them pushed beyond the line of settlement upon your frontier, and there stationed, the companions of the wild Indian only, to defend your citizens from the tomahawk and scalping-knife. Are they, thus located, the body of men who are to bring this happy government to a speedy termination? No, sir, they will defend it with their lives, but never will endanger it by their influence over public opinion. The officers of the army are also embraced in this class. They, sir, are office-holders, but are they formidable to the country? Are those brave men who bore the arms of the country during the late war, against the most formidable enemy in the world, and bore them successfully, triumphantly, victoriously — are they to destroy this government? Are they to be guarded against as ‘supple instruments of power,’ as ‘subservient partisans, ready for every service, however base and corrupt?’ Mr. President, said Mr. W., they merit not the sentence. Where are they? Shut up in your fortifications and military posts, performing their dull and uninteresting round of official duty, or ordered beyond your frontier and deprived of the benefits of civilized society, to protect their fellow-citizens from rapine and plunder. Thus situated, are they to be held up to us as objects of alarm? Are our jealousies to be directed against them, as the persons likely to work out the full ruin of their country? Sir, the committee have made an egregious mistake as to these brave and patriotic officers. They will not destroy but defend the republic. Who has seen them mingling improperly in the political strifes of the day, or attempting unduly to influence public opinion Mr. W. said he had never witnessed such an instance of improper conduct in an officer of the army, and he was yet to learn that such instances had been witnessed by others. But another large enumeration of citizens aided to complete this division of the dangerous corps of more than 100,000. All the contractors, workmen and laborers, upon our public works in the charge of the War Department, such as fortifications, rivers, canals, roads, harbors and all the other works of a similar description in

construction at the expense of the government, were counted to make up this formidable number of 'supple instruments of power.' Yes, Mr. President, said Mr. W., the humble carrier of the hod upon one of your batteries, who toils on for his daily allowance of a few shillings, unconscious of his agency, is one of the number of individuals whom the committee suppose material and dangerous agents in the work of ruin to the most free and happy government upon the earth. Each laborer of this description is held to be a 'supple instrument of power,' a subservient partisan, 'ready for every service, however base and corrupt.' Sir, tell this to the great body of the yeomanry of this country, and what will they say of this danger? They will smile at the credulity of the committee, and say they are mistaken in their apprehensions. This closes the first class of the great catalogue, consisting of 16,722 individuals.

"Second. Mr. W. said he found the whole navy, including the marine corps, and comprehending altogether 8,784 individuals. Here, again, was a class of men whom he had not been taught to consider 'supple instruments of power,' 'subservient partisans, ready for every service, however base and corrupt.' Sir, said he, are the gallant tars who bear the flag of our country proudly and triumphantly upon every sea, and to every corner of the globe, the mere 'supple instruments of power?' Are the brave and fearless officers who command them 'subservient partisans, ready for every service, however base and corrupt?' Is such the character of the officers of the American navy, and are they, at this moment, to be thus characterized to the American people, and to the world? Not, said Mr. W., by me. They deserve not the character, in my judgment, and they shall not receive it with my assent. Does any man believe, do the honorable committee believe, that, in consequence of the moderate compensation which these brave and high-minded and patriotic citizens receive for the devotion of their lives to the public service, they are prostituted to the executive will, and ready to do his bidding, to the injury and destruction of the liberties of their country? Do they believe that no higher and purer motive than subserviency to executive power has led them on to the noble achievements they have accomplished? If such be the opinions of the committee,

they do the officers and seamen of our gallant navy great injustice. It is against the enemies of their country, not against their country, that they war, and war successfully ; and long, long, will the liberties of our happy republic be preserved, if they are only to meet their destruction from the hands of the American navy. But, sir, this class is not wholly composed of the officers, and sailors and soldiers attached to the navy and marine corps. Every person employed in and about your navy yards and ship yards is included in the enumeration. The humble individual who rolls the wheelbarrow and handles the cart, or drives the oxen, at these places, is magnified into a man dangerous to our liberties, holding a fearful control over public opinion, a 'supple instrument of power,' 'ready for any service, however base and corrupt.' Such dangers, said Mr. W., will never destroy this republic.

"Third. The whole roll of revolutionary pensioners, 38,836 in number. This class, Mr. W. said, surprised him much more than the former. The departing shades of the revolutionary army were presented to us as about to become the instruments in the destruction of our liberties. Those venerable men, whose earliest, and greatest, and richest efforts had been devoted to the erection of this beautiful and noble temple of civil liberty, were now, for the pitiful compensation of eight dollars per month, to become the 'supple instruments of power,' to use their efforts to overthrow the fabric cemented with their youthful blood, and to draw its mighty ruins down upon their own heads at the last moment of their earthly existence. Would it be believed that this remnant of a noble race had been thus corrupted by such a bounty? No, said Mr. W., they deserve not such a judgment at our hands. But, instruments of the executive? How? What has the executive to do with the payment of pensioners? They derive their claims from the acts of Congress, not from the will and pleasure of the executive ; and if they make the proof requisite, the right is perfect. The President can neither place them upon the roll without the proof, nor debar them from it when the proof is made. His only interference with the subject is his approbation of the laws, as he approves other laws passed by Congress. As well, therefore, might all the private claimants, for whose benefit

laws have been passed, be hunted from the statute books and added to the list of 'supple instruments of power,' as these venerable pensioners of the revolution.

"Fourth. Mr. W. said he now came to a class of office-holders and 'supple instruments of power,' not less extraordinary than any of the former. It consisted of all the deputy-postmasters throughout the country, all the mail contractors, mail carriers, stage drivers, and all others employed in the transportation of the mail of the United States. The number was given in the report at 31,837 individuals. Here was a class of men, with several of whom every citizen of the country must be personally acquainted. He appealed, then, fearlessly and confidently to the people of the country for the degree of danger to public liberty to be apprehended from this class of dependents upon the public patronage. Who did not know that the postmasters and mail contractors of the country were of all parties in politics, and of every description of sentiment and feeling as to men and measures? Who, in these seats, did not know that the great mass of them were men of respectability, integrity and faithfulness, and worthy of the trusts confided to them? Who, heretofore, had feared the influence of these men upon the public opinion of the electors of the country? Who, until this day, had imagined that the driver of a mail coach would injuriously influence the opinions of the passengers who might chance to ride in his carriage? In this great mass of individuals there might be men unworthy of trust; it would be strange if it were not so; but did any man ever dream that they were so numerous as to endanger our government, or that the merry holder of the reins and whip of the vehicle which transports the mail over our public highways was a 'supple instrument of power,' a subservient partisan, 'ready for every service, however base and corrupt,' because his monthly wages were paid to him by a mail contractor? Did any man ever permit himself to believe that the elections of the States were controlled by such men? No, said Mr. W., the idea is mistaken; and the honorable committee have yielded themselves to fears which have no foundation, and to prophecies of evil which will not be realized.

"He had then disposed of a very large proportion of this

fearful array of more than 100,000 persons dependent upon and receiving money from the government ; and by that means supposed to be made ‘supple instruments of power,’ ‘subservient partisans, ready for every service however base and corrupt.’

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| “ ‘ The army, and persons employed under the superintendence of the War Department, were..... | 16,722 |
| “ ‘ The whole navy, including the marine corps, were..... | 8,784 |
| “ ‘ The whole pension roll were. | 38,836 |
| “ ‘ All the deputy postmasters, mail contractors, mail carriers, mail coach drivers, and all other persons connected with the transportation and distribution of the mail, were..... | 31,837 |
| Making a total of..... | <u>96,179</u> ’ |

“So far, Mr. W. said, he thought the intelligent citizens of this country would be able to estimate the dangers to be apprehended from this alarming number of government dependents with great accuracy ; to value the benefits to themselves individually, and to the safety of the country and its institutions ; to appreciate the tribute of justice rendered to those who had first broken the yoke of despotism, and given us the liberty we enjoy, and to weigh the objections against, and the reasons for, a continuance of the laws which had created these respective classes of officers, agents and dependents.

“The table appended to the report of the committee, and from which he had derived the preceding classifications, showed that 4,508 of this fearful array of 100,687 office-holders and dependents upon executive patronage remained to be accounted for. And here he found it necessary to notice an error in the addition of the table, by which the total number of persons intended to be exhibited, was less by 608 than the true number. Two items had been accidentally omitted, to wit : 119 persons employed in the Department of War in this city, and 489 pensioners upon the navy pension fund ; so that the aggregate presented by the committee was 100,079, while the number in fact, as shown by their own table, was 100,687. Who, then, composed the remaining 4,508 of these dangerous men, and ‘supple instruments of power ?’

“There appeared to be employed in the State department in

this city, and connected with and deriving their appointments from and through that department, 456 persons. This number Mr. W. said, he understood to include the department itself, all our foreign ministers, diplomatic agents, consuls and officers abroad of every description, and all the members of the federal judiciary, district attorneys, marshals and all other officers connected with the courts. He surely need not say that the persons employed in an office here could have little influence over the public opinion of the voters of the States, the individuals themselves not being entitled to a vote upon any national question, and their locations separating them from contact or associations with the citizens of the States. Much less could he consider it necessary to say that the officers and agents of the government abroad were not to be suspected of exercising a dangerous influence over the opinions and wills of their fellow-citizens at home. There only remained, then, of this number, the federal judiciary, and their district attorneys and marshals, to excite alarm or create apprehension.

“From the same table furnished by the committee, it would be found that 3,824 persons were employed in connection with the Treasury department. This number is understood to include all persons engaged in the collection of the customs, all persons engaged in the survey and sale of the public lands, and in every other branch of the Treasury department, including the department itself. Here, Mr. W. said, he met with a description of officers toward whom the public attention had been particularly directed for the last year, as using their official situation to influence the electors of their respective districts. The officers of the customs and of the land offices have been broadly accused of these practices. Of the latter he knew nothing, but many of the former he knew personally and intimately. Every Senator must know personally a greater or less number of the officers of the customs, for every one must reside within some collection district. He called upon all, then, to state their knowledge of the malpractices of these officers, if such practices were known. For himself he should feel bound, as a sacred duty to his country, to present any such officer, if he was satisfied his conduct was unworthy of his trust; much more if it was calculated to corrupt the public morals,

trammel the freedom of opinion of the electors, or endanger the liberties of the country. Would any Senator fail to pursue this course? Surely not. Still we had heard no such presentments from any quarter of the country; and ought not this single fact to be taken as strong evidence that these sweeping denunciations of a party press, and of partisan politicians, were unmerited by the officers against whom they were directed? Ought it not to be satisfactory evidence that our liberties are not endangered by these officers, so necessary and indispensable to the security of the revenue of the country? If this whole class of officers had become the 'supple instruments of power,' 'subservient partisans, ready for every service, however base and corrupt,' would not some Senator be able to name a single instance from the whole country; to present a single example to the public eye? Mr. W. said he could not feel alarm for the safety of the country while no single officer of the whole corps could be designated as guilty of the suppleness and subserviency which the committee seem to apprehend. So much for the persons employed in and connected with the Treasury department.

"In the Department of War, 119 persons are employed, as shown by the table. This number, Mr. W. said, he supposed to include the topographical bureau and the engineer corps; and he would inquire whether the principles and policy of this administration were such as to authorize the belief that an extension of the influence of this corps to the local and private interests of the citizens was intended? Had not both, in the discouragements of works of internal improvement of a local character, a direct and powerful tendency to circumscribe the power and influence of these engineers, and to debar them from an interference with the local interests of the States? Such would seem to him to be the fair and just conclusion. Of the danger to be apprehended from the influence, upon public opinion, to be exerted by persons in the employ of the War department, in this city, he had nothing to add to his remarks in relation to persons similarly employed in the departments of which he had before spoken.

"The same table showed twenty-nine persons in the employ of the Navy Department, and eighty persons in the employ of the General Post-office, in this district. They are principally humble

clerks, at very moderate salaries, and, he doubted not, respectable and industrious men, faithfully earning the money paid to them; and if the liberties of this country remained until destroyed by them, he must be permitted to express an entire confidence that alarm now was ill-timed and uncalled for.

“This, Mr. W. said, closed the fearful catalogue of office-holders and dependents, which had given to the report its sad and boding aspect; and, thus analyzed, he hoped the danger, impending or in prospect, would appear less to the good and peaceable citizens of the country than it had to the honorable committee. The whole might be summed up as follows:

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| “ ‘ The four classes first mentioned, to wit: the army and persons in civil employment under the superintendence of the Secretary of War, the navy and marine corps, the pensioners and the postmasters, and the persons employed in the transportation of the mail | 96,179 |
| “ ‘ The persons employed in and connected with the State department, including foreign ministers, consuls and commercial agents, the judges of the Supreme, district and circuit courts, the district attorneys, marshals, etc..... | 456 |
| “ ‘ The persons employed in and connected with the Treasury department, including all officers and persons employed in the collection of the customs and the revenue service, all officers and persons employed in the survey and sale of the public lands, etc., etc..... | 3,824 |
| “ ‘ The persons employed in and connected with the War department | 119 |
| “ ‘ The persons employed in and connected with the Navy department | 29 |
| “ ‘ The persons employed in and connected with the General Post-office | 80 |
| “ Making the aggregate, before given, of..... | <u>100,687</u> |

“Let these 100,000 individuals stand before the intelligent people of our country in their true character, and let them say how far they are likely to undermine and destroy their liberties. For himself, Mr. W. said he could feel no apprehension. He believed them, as a mass, an honor, and not a danger to the country; and so he thought they were, and would continue to be, viewed by the people. Here he would leave this most alarm-

ing assumption of the committee, and proceed to examine another, not less erroneous. The committee assume, without attempting to prove, that those 100,000 office-holders and dependents can influence and direct the will of the American people; can control their action at the polls, and dictate the results of their free elections. Mr. President, said Mr. W., this is an assumption as violent as it is unfounded, and does great injustice to the inflexible integrity of our intelligent yeomanry. They, sir, controlled in the exercise of that right which they consider above all price, the right of giving a vote for the man who is to rule over them, by office-holders, by soldiers, sailors, laborers in the employ of the government, mail contractors, mail carriers and coach drivers, or by pensioners! No, sir; never. The idea does injustice to their integrity and intelligence. They are controlled by no earthly power in their exercise of that dearest right of a freeman; and the supposition that they are, is, to use the mildest term, a mistake of the committee of a glaring character. The 13,000,000 of free people of this country, controlled in their elections by a few thousand office-holders and dependents upon the government! By a few of their own servants! No, sir. The American people are not thus 'supple' and 'subservient,' whatever may be the character of those who receive their favors and bounty.

"But is it fair to presume, from any known facts, that those holding office and patronage are inclined to influence the people for evil to the country? Mr. W. said he knew of no evidence to warrant such an assumption. That, among the great numbers holding office, bad men might be found, was more than probable; but he believed the exceptions would be so few, if the whole number were taken into the account, as to prove that good men generally hold the office of trust, rather than to impeach the body of office-holders. This brought him to notice a third assumption of the committee, not less unfounded, in his judgment, and more violent and unjust than either of the former.

"Mr. W. said he referred to the assumption found in the report, that offices are bestowed 'as rewards for partisan service, without respect to merit.' This broad charge appears upon the face of this paper wholly unsupported by proof, or by an attempt at proof, against whom? Against a chief magistrate

elected by the people ; and, after an exercise of the appointing power for the term of four years, again re-elected by a much stronger expression of the public approbation than that which first elected him to the presidency. How, then, does this assumption comport with the respect we owe to the popular will ? To the judgment and intelligence of those we represent here ? To the free and intelligent people of this free country ? But how, said Mr. W., are these office-holders selected by the chief magistrate ? Upon the petitions and recommendations of the people themselves ; upon certificates of character, respectability and worth, made by those who are the neighbors and friends of the candidate, and know him personally and intimately ; and most usually upon the recommendation of the representatives here of the person appointed. Are we then to assume that offices are ‘ bestowed as rewards for partisan services, without respect to merit ?’ The people ask, the representative recommends, and the office is conferred, and who shall say that it is done ‘ without respect to merit ?’ Surely this committee will not be sustained in making the assertion by that people whose will is followed in the appointments made, when the assertion rests upon itself alone, without an effort to support it by evidence. It is, Mr. President, said Mr. W., another of those mistakes into which the gloomy imaginations of the committee seem too frequently to have led them. These assumptions, as erroneous as they are unfounded, in his judgment appeared to him to constitute the reasons offered by the committee for the presentation of the bill now before the Senate. The abuses existing in the minds of the committee were those which had been examined, and the bill purported to provide for their correction for the future.

“ What, then, was the remedy proposed ? A law of 1820 had limited the terms of a large class of officers therein named to four years, and had thus compelled those officers once in that term, to pass in review before the President and Senate, when their characters and conduct, official and private, would of course be inquired into and examined, and when the state of their accounts with the government would be ascertained. This law, too, was calculated to secure the cardinal republican principle of rotation in office, by causing periodical expirations of official

terms, when those who had enjoyed a reasonable share of official patronage might give place to other citizens equally deserving, without resorting to the unpleasant alternative of a removal.

“The first section of the bill reported by the committee, and now under consideration, proposes to repeal this law of 1820, and, by doing so, to make these offices perpetual or dependent alone upon the pleasure of the President. The latter would be the consequence, were it not that the third section of the bill virtually imposes restrictions upon the power of the President to remove from office; and, taken in connection with the second section, would seem fairly to imply a design that the President shall remove for one cause alone—that of a defalcation in paying over or accounting for public moneys. If this be the tendency of this bill—and this, Mr. W. said, was his understanding—then its effect will be to give to the country district attorneys, marshals, collectors of the customs, naval officers, surveyors of the customs, navy agents, receivers of public moneys for lands, registers of the land offices, surveyors of the public lands, paymasters of the army, and commissaries-general of purchases, for life, instead of the short term of four years; and nothing can remove the officer but his becoming a public defaulter—a piece of official misconduct of which several classes of these officers, such as naval officers, surveyors of the customs, registers of the land offices, and the like, cannot be guilty, because no public money comes to their hands.

“And what, Mr. President, said Mr. W., is the assigned cause for this great and dangerous change in the law? To destroy the patronage accruing to the chief magistrate by the simple re-nominations of these officers to the Senate once in the term of four years. Is Congress prepared to adopt such a remedy for such an evil? Will the members of this House consent to create an army of officers for life in this government, for the single purpose of getting rid of the evil, if it be one, of the patronage conferred upon the executive power in their periodical reappointment? Mr. W. said he could not think so. He viewed the first section of the bill, standing by itself, as a question of policy only; but he must consider it contrary to the doctrines of the republican fathers, contrary to the genius of our free institutions,


and contrary to the well-ascertained and well-established opinions of the great mass of the citizens of the United States, to adopt any measure of legislation calculated or intended to perpetuate office in the same hands. The offices of this government should not be life estates, but public trusts ; and to keep them so, they should return frequently to the people, or to such of their agents and representatives as have the power, by the Constitution, to confer them. Without this, the salutary principle of rotation in office is gone, and we raise up an official aristocracy as dangerous to liberty as an hereditary one.

“ Mr. W. said he was not an advocate for executive power or official patronage. He would go as far as any one to limit such powers, where that could be done consistently with the Constitution, and a safe and salutary administration of the government; but to get rid of that portion of the executive patronage which consisted in the renomination to offices, the terms of which were now limited by law, and from which, as yet, he had seen no cause to feel alarm or apprehension, he could not agree to remove all limitation, and make the offices permanent. It would, in his judgment, be an attempt to avoid a possible danger by the voluntary adoption of a great and certain evil. Such, Mr. W. said, were his views upon the first section of the bill, and, unless changed by what might be subsequently offered in its favor, he could not give it his support.

“ As to the second section, he had not a remark to make. He fully acquiesced in the principle it contained, that public defaulters should be hurled from office, and that a knowledge of the fact was sufficient ground for instantaneous removal. If any Senators supposed that legislation was necessary to secure the practical application of this principle, imperatively and promptly, to every officer of the government, he was not aware that he had any objection to make to this section.

“ His principal difficulty rested upon the third section of the bill. That section was in the following words :

“ ‘ SEC. 3. *And be it further enacted*, That in all nominations made by the President to the Senate, to fill vacancies occasioned by removal from office, the fact of the removal shall be stated to the Senate at the same time that the nomination is made, with a statement of the reasons for such removal.’



“This provision in a law of Congress he believed to be in derogation of the Constitution of the United States, and he could not, therefore, give it his vote. He had before said he was not an advocate for executive power or official patronage, but he was an advocate for the Constitution, and for just so much power in every branch of the government as that instrument had granted, and for no more in any branch, either executive, legislative, or judicial. The section did not, in terms, deny the power in the President to remove from office, but it proposed limitations upon the exercise of the power equivalent to the denial of its existence as a constitutional grant of power. Mr. W. said the question was one of the first importance and magnitude, and he did not propose to argue it at the present time, but was bound to give the grounds of his opinion that the provision was unconstitutional.

“The Constitution has said ‘the executive power shall be vested in a President of the United States of America.’ This he understood to vest in the President all the executive power pertaining to the government of the United States, and not otherwise granted by the Constitution. He understood the power of appointment to office and the power of removal from office, to be executive powers, and, therefore, to be vested in the President by this general grant, unless some other provisions of the Constitution shall be found to take them from him, or to divide them between him and some other department of the government. What other provisions bear upon the question? The two following:

“ ‘1st. He (the President) shall nominate, and, by and with the advice and consent of the Senate shall appoint, ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law.


“ ‘2d. But the Congress may, by law, vest the appointment of such inferior officers as they think proper, in the President alone, in the courts of law or in the heads of departments.’

“If, then, Mr. W. said, he was right in supposing that the power of appointment was an executive power, its existence in the President was qualified by the negative of the Senate, conferred by the clause first above quoted, and he could nominate,

but could not appoint, but 'by and with the advice and consent of the Senate.' Still nothing in this clause affected the power to remove from office, unless by implication, of which he should have occasion hereafter to speak; and, therefore, that power, notwithstanding this clause, remained in the President by virtue of the general grant, perfected and unqualified.

"But the clause second above quoted might be held to qualify this power of removal, and therefore he referred to it to show that it did not affect the bill under consideration, or obviate its unconstitutionality. That clause gives to the Congress the power, by law, 'to vest the appointment of such inferior officers as they think proper in the President alone, in the courts of law or in the heads of departments.' It has been and may further be contended that this qualification of the executive power of appointment may also qualify the power of removal; and that when 'the Congress may, by law, vest the appointment of such inferior officers as they think proper in the President alone, in the courts of law, or in the heads of departments,' they may prescribe the causes for and restrictions upon, the removals of the officers so to be appointed in conformity, not to the Constitution, but to the law. Mr. W. said he did not find it necessary to discuss this point, as the third section of the bill before him reached the removal of all officers, superior and inferior, and alike required from the President the causes of the removal, whether the office was of the one grade or the other. The provision proposed by the committee made no distinction between an ambassador or other public minister or consul, or a judge of the Supreme Court, the officers enumerated in the Constitution, a superior officer, a member of the cabinet, and an inferior officer, a surveyor of the customs, 'established by law.'

"Again, the Congress had not yet, by law, vested the appointment of any of the officers named in the first and second sections of the bill, 'in the President alone, in the courts of law, or in the heads of departments;' and, until they had done this, the second clause referred to could have no operation to restrict the power of removal conferred upon the President by the Constitution; that power, like the power of nomination, remaining in him under the constitutional grant as to all officers 'which shall be



established by law,' until the Congress think proper to vest the appointment of inferior officers in himself alone, in the courts of law, or in the heads of departments, and to affix by law the causes for and the restrictions upon the removal of the officers so to be appointed.

“ Neither of these qualifications upon the executive power granted to the President, then, Mr. W. said, seemed to reach the provision contained in the third section of the bill of the committee, and he was left to inquire whether any implication, from the executive power granted to the Senate, authorized the legislation proposed? The grant to the Senate, made in the Constitution, was to advise and consent to nominations made by the President, or to refuse that advice and consent; and it had been argued by the honorable Senator from Massachusetts [Mr. Webster] that this power necessarily drew after it the advice and consent of the Senate to removals from office. That honorable gentleman had stated that he had examined the practice of the government, and that the only removal was the appointment of another to fill the place of the person removed. His argument was understood to be that, as the appointment of A. to fill the office of B., removed, was the only removal of B., therefore the appointment of A. was the removal of B., and the appointment of A. requiring the advice and consent of the Senate, this body must also be held as advising and consenting to the removal of B.

“ Mr. W. said he had not examined the practice of the government in this respect, and therefore he could not say whether or not it had been customary, in cases of removals from office, to issue a *supersedeas*, the uniform practice, as he believed, in his own State; but he would ask the honorable Senator whether it had ever been supposed, when the President nominated A. to an office in the place of B., removed, the rejection of the nomination of A. by the Senate restored B. to the office from which he had thus been removed by the President? Did not the Senate know that, in case of such rejection, the office had always, from the commencement of the government under the Constitution, been held to be vacant, and the President bound to continue to nominate to the Senate until he found a person to whose appointment they would advise and consent? Had he ever heard of an

incumbent, thus removed, returning to the duties of his office in consequence of the rejection by the Senate of the nomination of his successor? Mr. W. said he was confident in the assertion that the history of the government furnished no instance of such a claim to office, or of such an exercise of official powers. How, then, could the gentleman contend that the advice and consent of the Senate to the appointment of a successor had been held to be also an advice and consent to the removal of the incumbent? If the Senate did not advise and consent, the removal had ever been held to be perfect, and the office vacant; and therefore that advice and consent, when yielded, could not be held to make the removal. So much, Mr. W. said, for the argument in favor of the implied executive power existing in the Senate, to participate with the President in removals from office. It had not existed in the practice of the government; it did not exist in the Constitution; and he would leave it to those who made out the claim to point out its derivation.

“He would again say that it was not his object to argue these great constitutional questions, and he had said thus much to declare his distinct and clear opinions. He held the power of removal from office to be an executive power, in the clear and universally admitted classification of governmental powers. As an executive power, he held it to be vested in the President by the broad grant of that power contained in the Constitution, because no qualification found in that instrument, and no action of Congress under it, granting power to regulate the appointment of inferior officers, had taken it from him, as connected with the third section of the bill before the Senate.

“Could Congress, then, by law, require from the President his reasons for an act performed in pursuance of the power granted to him by the Constitution? He could not think it would be pretended. As well might Congress declare, by law, that the President should send, with every nomination he makes to this body, the reasons why he has selected the individual named. As well might Congress declare, by law, that the Senate should make a statement to the President of the reasons for their action upon his nomination. Each acts in the exercise of an independent constitutional power expressly conferred, and neither is responsi-

ble to the other for their action, but both are responsible to the people and the States.

“So, in making removals from office, the President, if he has the power at all, possesses it as an express grant of the Constitution, and he is responsible to Congress for its exercise in no other way than by impeachment, and then the causes should be assigned, if assigned at all, to the impeaching and not to the trying branch of Congress. He, therefore, could not view the section in any other light than as a direct and palpable violation of the constitutional powers and rights of the executive, and, as such, he must oppose its passage. He would not, however, consume more of the time of the Senate, at this late stage of the session, in fortifying his position. He would content himself with the fact that the first Congress ever convened under the Constitution had deliberately decided these questions of executive power as he now contended they existed. That Congress consisted of a large number, among others, of the framers of the Constitution — men more competent than any other to form correct opinions as to its intended grants of power. It had been well said, by the honorable Senator from Ohio [Mr. Ewing], that this decision was made before the formation of political parties under the government, and at a time when political partisan feeling could not have influenced the judgment of those who pronounced the opinion that the power of removal from office was an executive power, and was vested in the President. If proof of this fact, stronger than any other, could be required, it would be found in the record of that debate, which shows James Madison, the most distinguished democrat, and Fisher Ames, the most distinguished federalist, in that Congress, combining their unsurpassed talents and powers of eloquence in favor of the decision. Gen. Washington, then President of the United States, and the president of the convention which formed the Constitution, claimed and exercised this power during the whole of his administration. The elder Adams exercised it after him. The immortal Jefferson, the father of democracy, also claimed and exercised it freely during the eight years of his administration. After him, James Madison and James Monroe exercised it for the period of sixteen years. The younger Adams then exercised it during his presidential

term, and the present chief magistrate followed the examples thus set for him until the last year, without an intimation of a doubt as to the existence of the power as a constitutional grant.

“Mr. W. said he would not remark further upon this point. If gentlemen would show him that the power of removal was not an executive power, it might then be competent for them to charge him and his friends with attempting to claim power in the President by implication from the Constitution, and not from express grant. He was the advocate for no implied powers in any department of the government. He held this to be an executive power, expressly granted in the broad grant of that power to the President. So the Congress of 1789 had decided it to be, and so the practice of the government, for almost fifty years, under the Constitution, had uniformly treated it, without debate or question.

“He had now completed what he had proposed to say. His principal object had been to examine the facts from which the committee had drawn their frightful picture of danger to the country from executive patronage, and to point out what appeared to him their almost unmeasured exaggerations of inference and conclusions from their own premises. This he had considered it a duty he owed to himself, to the Senate, and to the country, to do, and he had made the attempt, whether successful or not, the Senate would decide. He would merely add what he had before repeated, that he saw no cause for the great and peculiar alarm expressed in the report; he felt not that alarm himself, nor could he believe, if it had foundation, that we were to discharge ourselves and the country from it by making perpetual terms of office of all the officers who must receive their appointments upon the nomination of the President, and whose terms of office were now limited by law. Such a remedy would increase, but could not quiet his alarm.”

CHAPTER LI.

EXPUNGING THE SENATE RESOLUTIONS CONDEMNING
GEN. JACKSON.

The proceedings of the Senate condemning the President for dismissing Secretary Duane, and removing the public deposits from the Bank of the United States, have been given in a previous chapter. On the 18th of February, 1835, Col. Benton offered a resolution to expunge from the Senate journals the resolution condemning the action of the President on those subjects, "because the said resolution is illegal and unjust, of evil example, indefinite and vague, expressing a criminal charge without specification, and as irregular and unconstitutionally adopted by the Senate, in subversion of the rights of defense which belonged to an accused and impeached officer, and at a time and under circumstances to involve peculiar injury to the political rights and pecuniary interests of the people of the United States." On the third of March this resolution was laid upon the table, on motion of Mr. Webster, by a vote of 27 to 20. Col. Benton thereupon again presented it, giving notice he should call it up during the second week of the next session. It was at that time called up, but not acted upon, further than Col. Benton adding a long preamble. The resolution was finally discussed and acted upon, and passed January, 16, 1837, by a vote of 24 to 19—a strictly party vote. Whereupon the journal was brought into the Senate, and the Secretary drew black lines around the resolution, as there recorded, and wrote in bold letters across the face, "Expunged, by order of the Senate, this 16th day of January, in the year of our Lord 1837."

Mr. WRIGHT made no formal speech upon this question, although a thorough supporter of the measure. He contented himself with presenting the resolutions of the Legislature of the State of New York, instructing the Senators in Congress "to use their best efforts to procure the passage of a resolution, during the present session of Congress, directing the aforesaid resolution to be expunged from the journal of the Senate of the United States," and voting with his colleague, Mr. Tallmadge, for the preamble and resolution. In this manner the senatorial condemnation of President Jackson was swept from the records of the Senate, in conformity with the undoubted approbation of a majority of the American people. The effort of political opponents to crush Gen. Jackson by a senatorial *ex parte* condemnation signally failed in its object, while those actually engaged in it keenly felt this novel mode of rebuke.

"CANTON, 14th April, 1835.

"MY DEAR FRIEND.—Your letter, of the first inst., came to me several days since, and my engagements have not allowed me time to answer it until now. I am most glad to be able to say to you, with truth, that it was as welcome as it was unexpected. My brother told me, when at home, that you wished to see me, and had my stay allowed me time, I should have called to see you ; but I had been from home so long, and was so fearful of being further delayed by the state of the ice in the lake, if I did not hasten on, that I did not even give myself time to see my eldest sister, and did not make a call out of my father's family.

"The claims which constitute the subject of difficulty between our government and France, at the present time, have grown out of seizures and confiscations of American vessels and cargoes, made under what were called the Berlin and Milan decrees, and other decrees of the French government, previous to, and at about the time of, the late war. By a treaty made between France and the United States, in 1832, and duly ratified by both governments, the amount of these claims was settled at 25,000,000 francs (a

little less than \$5,000,000), and France agreed to pay the amount in annual installments, with interest, I think, at four per cent. When the first payment became due our government made a draft upon them for it, which was presented at the French Treasury and was not paid, because their Legislature had appropriated no money to make the payment. The subject was then immediately laid before that government by ours, and was, by the King, laid before their Legislature. That body refused to make the appropriation, alleging various reasons for doing so, but principally that their government had, by the treaty, agreed to pay too much, and that the treaty itself was not binding, until the Legislature had sanctioned it by the payment of the money, or by making the appropriation to pay.

"The King assumed to be very anxious for the fulfillment of the treaty, and to regret the action of the Legislature, and gave every assurance that the appropriation would be made at the next legislative session. Under these circumstances the President let the subject rest, and did not make any communication to Congress about it. Another session of the French Legislature took place. A bill was laid before the body at a late day in the session and was not acted upon. Our minister at Paris was then directed to inform the French government that the appropriation must be made before the then next meeting of Congress, or that the President would feel himself bound to lay the whole matter before that body. He was given to understand that the French Legislature would meet in July, and that then the subject would be attended to. They did meet in July, and the subject of the appropriation was not laid before them at all, but they were adjourned to meet a month later in the fall than usual, on the twenty-ninth instead of the first of December.

"Under these circumstances the President sent his last annual message to Congress, which you have no doubt read.

"The French now pretend to say the message is an attempt to threaten and frighten them to make the payment, and, therefore, that they cannot pay consistently with their *honor*. Thus the matter now stands, as I understand the brief history of the case.

"I have not, as yet, doubted that, after a flourish about courage and honor, they would pay the money. I still think they will,

though the last mail brought me the news of another change of ministry, and how that may affect the legislative action upon the appropriation, I am unable to say. I think unfavorably.

“I was much concerned to learn, from my brother, that you had not recovered your health, and, from the length of time you have been on a decline, I greatly fear your constitution is permanently impaired. Nothing could have given me more pleasure than your reference to our school-boy days. I have long known, from my own feelings, that no friendships formed in life, and not connected with the relationships of society, are so strong, so pure, and so disinterested as those which grow out of our associations in childhood, before the cares of the world take possession of the mind. I have been for many years far removed from those who were my associates at that period. I have formed many acquaintances and associations since those were formed, but none are remembered with the same freshness of feeling, and none cling so closely around the heart; I had supposed, however, that my absence from those companions had continued the recollections more strongly in my mind, while their enjoyment of each other’s society to the present time, without much change of place or associates, would have made them almost forget those who had left them. Your letter affords me the best evidence that it is not so, but that you, too, retain those remembrances and all the friendship which grow out of the associations.

“I am not a professor of religion, but you must not think so badly of me as to suppose that I am unwilling to have the subject pressed upon my attention by pure and disinterested friends. Much less must you permit yourself to believe that the knowledge that you remember me in your prayers to the Giver of Life, and upon your knees entreat mercy and forgiveness and eternal happiness for me, either offends or displeases me. I know and feel that that man who is a practical Christian is a better citizen, a better friend and a happier man, and the good wishes of such men, if I know myself, are most valuable to my feelings. I beg you, therefore, not for one moment to afflict yourself with the fear that you can lose my friendship by letters breathing this kindness and good will, and pure and ardent friendship which is found in every line of your letter before me.

"I hope I may hear from you often, when your health and your time shall permit you to write, and when I shall be able, nothing will give me greater pleasure than to answer your letters.

"My health is perfectly good, and when at home I am not usually very much pressed with business. You do not mention the subject of your health, but may I not hope it is on the gain? Such, at any rate, is the ardent wish of

"Your sincere friend,

"SILAS WRIGHT, JR.

"MILO STOW, Esq."

CHAPTER LII.

ABOLITION OF SLAVERY IN THE DISTRICT OF COLUMBIA.

The question of the abolition of slavery in the United States has been more or less agitated from the early days of the Union. Few claimed that Congress was clothed with power to abolish it in the several States. But it was largely insisted that they could do so in the District of Columbia, where, under the Constitution, they are authorized "to exercise exclusive legislation in all cases whatsoever." The abolitionists, with ceaseless energy, pursued their objects, one of which was to create agitation and extend excitement. This could be done with reference to the District, where the Constitution presented no barriers. Numerous petitions were presented in both houses of Congress, demanding the abolition of slavery in the District. These were more or less discussed, and produced heated opposition from those representing slaveholding States.

In the House, this class of petitions, in 1836, were referred to a select committee, consisting of Messrs. Pinckney, of South Carolina, chairman; Hamer, of Ohio; Pierce, of New Hampshire; Hardin, of Kentucky; Jarvis, of Maine; Owens, of Georgia; Muhlenburgh, of Pennsylvania; Dromgoole, of Virginia, and Turrill, of New York. This committee made a report on the 18th of May, 1836, which occupied an hour and a half in the reading. It closed with these resolutions:

"Resolved, That Congress possesses no constitutional authority to interfere in any way with the institution of slavery in any of the States of this confederacy.

“Resolved, That Congress ought not to interfere in any way with slavery in the District of Columbia; and,

“Whereas, it is extremely important and desirable that the agitation of this subject should be finally arrested for the purpose of restoring tranquillity to the public mind, your committee respectfully recommend the adoption of the following additional resolution, viz.:

“Resolved, That all petitions, memorials, resolutions, propositions, or papers, relating in any way, or to any extent whatsoever, to the subject of slavery, or the abolition of slavery, shall, without being either printed or referred, be laid upon the table, and that no further action whatever shall be had thereon.”

This report, although presented by the chairman, was understood by the committee to have been drawn by the member from New York, while it is known to the author to have been prepared by Mr. WRIGHT, and spoke his sentiments and those of Mr. Van Buren's friends generally.

On the 19th of January, 1836, the Senate proceeded to consider a petition from sundry citizens of Ohio to abolish slavery in the District of Columbia. A question was raised by Mr. Calhoun whether it “shall be received,” which he and others had discussed, but no direct vote upon it is found. Other like petitions were presented and considered with the one from Ohio. Mr. Buchanan moved to amend the other motions, and to “reject the prayer of the petition,” which prevailed, 34 to 6, every Senator, except Davis, Hendrichs, Knight, Prentiss, Swift and Webster, voting aye.


Mr. WRIGHT addressed the Senate, at length, on Mr. Calhoun's motion not to receive the petition. The final action of that body on the question seems to be in harmony with the views presented by him, which were as follows:

“Mr. WRIGHT said he considered it to be his duty to trouble the Senate with a very few remarks before the pending question

was put. He did so with extreme reluctance, arising from the deepest conviction that this whole subject had better not have been debated at all; that these petitions had better have been suffered to take their usual course, the course they had taken every year when he had been a member of either House of Congress; the course of other petitions, of being permitted to be read at the clerk's table, and referred to the appropriate committee. His reluctance was greatly, and perhaps he might say principally, increased by the consciousness that the whole subject was surrounded with difficulties; that it was excitable in every aspect; that the different sections of the Union were liable to different affections from the expression of the same sentiment; and that some unmeasured phrase, or some imprudent remark might fall from him, which, unintentionally on his part, might increase rather than allay excitement, in the one portion or the other of the country.

“Yet he felt that he should not discharge the duty incumbent upon him, or properly represent his constituents, if he permitted this question to be decided without saying anything. Had he been able, otherwise, to content himself to give a silent vote, he could not do so now, since the extracts read by the honorable Senator from Virginia [Mr. Leigh] from the late publication of the Rev. Dr. Channing, a book he had never seen, and of the contents of which he was wholly ignorant, any farther than the very limited quotations of that honorable Senator had made him acquainted with them. He was prepared, however from those extracts alone, to say, that however distinguished, however pure, however pious, and however well intended the author of that work might be, in issuing to the public such a book, he had shown himself as ignorant of the opinions and feelings of the great mass of the citizens of the non-slaveholding States as he had, in the quotations made, of the merits and virtues of the people of the south. He, Mr. W., was ready to pronounce, in his place, that the publication, in the spirit in which it seemed to be written, as grossly abused the northern feeling as its language did the southern morals.

“When such representations of the sentiment of the north come from such sources, it was incumbent upon him to convince



the Senator from Virginia, the Senate and the public, that a belief in them as the sentiments of the non-slaveholding States, would be doing violent injustice to those States, and to the patriotism and opinions of their citizens.

"Mr. W. said he was not to discuss the subject of slavery in the abstract. He knew it, and the people of the north, as a body, knew it only as it existed under the Constitution of the United States, and was sanctioned by it. They thought of it in that light, and in that light only, so far as its existence in these States is concerned, and so far as the quiet of the country and the preservation of the Union are involved in any agitation of the subject. In that sense, it was not a question for discussion in that body.

"Neither, said Mr. W., was he to debate the question of slavery in the sovereign States of this Union. The sacred and invaluable compact which constitutes us one people, had not given to Congress the jurisdiction over that question. It was left solely and exclusively to those States, and, in his humble judgment, it ought never to be debated here in any manner whatever.

"Mr. W. said he would go farther and say that he did not purpose to trouble the Senate with a discussion upon the propriety of any action on the part of Congress in reference to the abolition of slavery in the District of Columbia, or in regard to the constitutional power of Congress over that subject. He had listened with pleasure and profit to the able argument of the honorable Senator from Virginia [Mr. Leigh] upon the powers of Congress, and had marked his concessions of power equal to that possessed by the Legislatures of the respective States of Maryland and Virginia over the same subject within those States. He had not studied the question himself, because he was able to mark out his own course, with perfect satisfaction to his own mind, without examining either the constitutional powers of Congress, or the powers of those State Legislatures. He was ready to declare his opinion to be that Congress ought not to act in this matter but upon the impulse of the two States surrounding the District, and then in a manner precisely graduated by the action of those States upon the same subject. Had the Con-

stitution, in terms, given to Congress all power in the matter, this would, with his present views and feelings, be his opinion of the expedient rule of action; and entertaining this opinion, an examination into the power to act had been unnecessary to determine his vote upon the prayer of these petitions. He was ready promptly to reject their prayer, and he deeply regretted that he was not permitted so to vote without debate.

“The refusal to receive the petitions, Mr. W. said, was, to his mind, a very different question. That was the question now presented. If the refusal should be sanctioned by the Senate, upon the broad ground of the subject prayed for, and not upon the distinct objection of indecorous language or matter in the petition itself, it would be considered and felt, in many sections of the country, as a denial of the constitutional right to petition, and, as such, would be infinitely more calculated to produce and increase, than to allay excitement. The prompt rejection of the prayer of these petitions would express the sense of the Senate in the most marked and decisive manner against the objects of the petitioners. The refusal to receive the petitions would raise a new issue, infinitely more favorable, as he deeply feared, to the schemes of these mad incendiaries than all which had gone before this proposed step.

“He entreated, he said, his brethren of the south to reflect before they gave this immense advantage to the agitators. He was aware that the southern feeling must be sensitive, perhaps beyond his ability to estimate, upon this subject of domestic slavery. The constitutional rights, the personal and private interests, the domestic peace and domestic security of the people of the slaveholding States, compelled them to feel deeply and keenly upon every agitation of this delicate question. He could not be insensible to the existence of these feelings, or to their justice. Yet, might he not appeal to members of this body from those States, and ask them to remember that excitement, growing out of the same subject, was also prevailing in the non-slaveholding States? That the public mind in those States had become aroused to the subject? That a limited number of individuals, from what motives he would not attempt to say, were making it their calling and business to increase that excitement, and to

make it universal? And might he not claim that the action of the Senate should be such as would be most likely to calm the excitement in all the States and in every section of the Union?


“What, then, Mr. W. asked, was the action most likely to produce this result—a result, he must believe, most highly desired by every member of the Senate? To answer this inquiry he must detain the Senate with a short examination of the true state of public opinion in the non-slaveholding States, in relation to the movements of the abolitionists, as manifested and published to the world, since the last adjournment of Congress. He should confine his statements upon this point to the State which he had the honor, in part, to represent here, because his information in reference to that portion of the north was more minute and authentic, and because he was satisfied that the general feeling of the citizens of his State upon this point was equally the general feeling of all the non-slaveholding States.

“He would then say that he did not know of a single meeting of citizens in his State, convened for the purpose of considering the civil and political condition of the country, during the whole summer and autumn now last past, of whatever political party the meeting might be, one single instance, to which he should have occasion hereafter to refer, being alone excepted, which had not made the most distinct and firm expressions against the efforts of these agitators. In addition to this evidence of the almost entire feeling of the citizens of the State, obtained from these ordinary assemblages of citizens, he need only remind the Senate, to bring the fact to the distinct recollection of every member of the body, that immense public meetings, composed of men of all grades, of talent and influence, of all parties in politics, and of all sects in religion, had been held in almost every populous town in New York, for the express purpose of giving to the country, and especially to their brethren of the south, the public sentiment and public reprobation of the efforts of the few fanatics, whose exertions to agitate the question of slavery were considered as infringing upon the constitutional rights of the slaveholding States, as calculated to disturb the peace of those States, and, what was considered of infinitely more importance, to endanger the harmony and perpetuity of the Union. The

expressions of these meetings, Mr. W. said, had neither been weak nor equivocal. They had breathed a spirit of patriotism, of generous feeling toward their brethren of the south, and of attachment to the Union, which he was sure his southern friends would appreciate and reciprocate.

“It became now his duty, and he performed it with no small degree of mortification, to speak of the exception to which he had referred. All within the hearing of his voice would recollect that, during the summer or fall, notice was given to the public of a State convention of abolitionists, to be held at the city of Utica, in the State of New York, in the month of October last, according to his present recollection of the time. The notice appeared formidable from the array of names appended to it, they being several hundreds in number, and exhibiting among them a large proportion of the names of preachers of the gospel of peace. It gave him unfeigned pleasure to say that time proved that many of these names, and those of individuals by no means the least respectable in character and standing and influence, had been appended to the notice without the consent or authority of the persons whose names they were, and, in many instances, in open and direct opposition to the wishes and feelings of the individuals.

“Still, the notice had the effect of causing delegates to be appointed to attend the proposed convention, from too many places in the State, and the design of holding the convention was persevered in. A short time before the day fixed for assembling this body of agitators, application on their behalf was made to the municipal authorities of the city of Utica, for leave to use a public building within the city, erected at the expense of the citizens of the town, as the place for the meeting of the convention. Through an excess of complaisance, or a mistaken feeling of indulgence, the required permission was given by the common council of the city. No sooner was this fact made known to the citizens than a public meeting was called, and resolutions of the most distinct and decisive character passed, declaring that the public building in question, erected at their expense and for their use, should not be prostituted to so mischievous a purpose, and that the proposed convention should not occupy it. This meeting



was a voluntary assemblage of the inhabitants of the town, and of course unauthoritative; but to make themselves sure of their object, and to carry their resolves into certain effect, the meeting was adjourned to reassemble in the same public building proposed to be occupied by the abolition convention, and on the same day when that convention was to meet. At an early hour of the day designated the public building in question was filled with the citizens of the town, and not an abolitionist was known to enter it. Soon, however, the assemblage was informed that the proposed convention was assembling at a church in the vicinity, for the purpose, as it was believed, of showing, upon paper, the proceedings of a State convention of that character. A committee, consisting of twenty-five members, selected from the most respectable and influential inhabitants of the town, was instantly appointed, and instructed by the meeting of citizens to repair to the church and inform the convention of the wishes and determination of the inhabitants of Utica, that their city should not be made the head-quarters for their mischievous movements. The committee obeyed the order of the meeting; made their way into the church, and announced their errand and their instructions to the assembled convention, when, fortunately for the peace of the community, the convention dispersed, without attempting to proceed with their business.

“Such, Mr. W. said, substantially, was the history which had been given to him, by eye-witnesses of the most respectable character, of the attempt to hold a State convention of abolitionists at Utica, and of its results; and for the credit of his usually orderly and peaceable constituents, he wished he could stop here and give the full evidences of the feeling manifested on that occasion. The whole truth, however, went further; and he believed it due to the present occasion to give the whole truth. During the night of the day on which the convention had been thus dispersed, he had been further informed that some disorderly persons forced their way into a printing office in Utica, supposed to be owned by some of the agitators, and certainly devoted to their cause, and committed depredations upon the property of the office; among other acts of violence throwing the types into the street. These persons, for this offense, had

been brought before the magistracy, and put under recognizance to appear at the then next court to be held for the county, and answer for the act. Recent information told him they had appeared; that their cases had been presented to the grand jury, and that that jury, acting upon their oaths, had reported no bills against them.

“There was one further fact, Mr. W. said, he ought not to omit, in giving the evidences of the correct state of public opinion, elicited by this attempt to hold an abolition State convention at Utica. One member of the committee of twenty-five appointed by the citizens to repair, and who did repair to the church and aid in dispersing this convention, was, at the time, before the people as a candidate for the State Senate. In about two weeks from the time of the transactions he had detailed, the name of this gentleman was presented at the polls throughout his Senate district, a district comprising from 250,000 to 300,000 of the population of the State, and not a shadow of opposition was made against his election from any quarter. Could this have happened if these agitators had possessed any hold upon the feelings of that people, the very people among whom they had proposed to raise the standard and commence their proceedings as a State society? Most assuredly it could not.

“Again: another individual of that committee was a distinguished member of the New York delegation in the other branch of Congress, and information just received announced his appointment by the Legislature of the State, by a strong, an almost unanimous vote, to the highly responsible and important office of Attorney-General of the State. Such had already been the expressions of public opinion as to two of the members of the committee of the citizens of Utica, who were put forward, at an important moment, to suppress the agitators. Could there be anything equivocal in expressions like these? Would the honorable Senator from Virginia, would any member of the Senate, or any citizen of the country, after such manifestations, permit their confidence in the soundness of the public feeling at the north to be shaken by such a publication as that referred to from Dr. Channing? He could not think they would. He most earnestly hoped they would not.

“Mr. W. said, he had mentioned these facts, and he might mention many others of a somewhat similar character, to show that the determined feeling of resistance to these dangerous and wicked agitators in the north had already reached a point above and beyond the law, and, if left to its own voluntary action, decisive of the fate of abolitionism in that quarter. Why, he would ask, were such manifestations of feeling found among those who were wholly uninterested in slave property? The answer was single and palpable. Their attachment to the Constitution and the Union prompted it, and, if left to govern themselves, by that attachment, there was no cause to apprehend danger. He appealed, then, in the kindest manner, and with great confidence, to the representatives of the slave-holding States, to say whether it was now desirable, whether it was now wise, to attempt to force this feeling further?

“For himself, Mr. W. said, he must say he considered it immensely important that the action of the Senate should be calm and considerate; that nothing should be done rashly; that no step should be taken which could by any, the most sensitive, be considered violent. He must repeat, that any such action would put a weapon into the hands of the agitators more powerful, and much more to be feared, than all their efforts of a voluntary character. Such, he most deeply feared, would be a vote of the Senate, that petitions upon this subject, without regard to their language and character, should not be received by the body. He was not disposed, at the present time, even to discuss the question of the extent of the constitutional right to petition Congress, so strongly did he feel that discussion or debate of any sort upon this topic could produce only unmixed evil to every portion of the country. He was willing, for his present purpose, to place the question of reception or rejection upon the ground taken by the honorable Senator from Virginia [Mr. Leigh], and to consider it as a question of mere expediency; and he hoped that, in that sense, he had said enough to satisfy every member of the Senate that there would be great danger in the course proposed by the motion under consideration. Without discussing the question, he thought every Senator would concede that a general impression prevailed among our whole people, of every

portion of the Union, that the right to petition Congress, in respectful terms and a respectful manner, was one of the broadest rights secured by the Constitution. Refuse it upon the broad principle, as relating to this subject, and these malignant agitators will seize upon the act to draw to themselves and their cause the public sympathy. They will represent themselves as having been denied their constitutional rights, and as being the subjects of unjust and unreasonable persecution; and, once able to occupy that ground plausibly, they will become vastly more dangerous than they can ever make themselves by any efforts of their own.

“Mr. W. said it appeared to him that a unanimous expression of the Senate, if that could be secured, was of the greatest importance, as being much more calculated to allay excitement in every portion of the country than any peculiar form of expression which might be preferred by any sectional interest. Under this impression, he had hoped that the liberal and patriotic proposition of his friend from Pennsylvania [Mr. Buchanan] would have been adopted by universal consent; that these petitions, and all others upon the same subject, if not clearly exceptionable in their language and manner, would be received, be permitted to be read at the clerk’s table, if desired, and then that the prayer of each would be promptly rejected, without one word of debate, and by the vote of every Senator. He yet hoped the Senate would consent to take that course. Its effect would be, in his judgment, most eminently calculated to allay excitement everywhere, and everywhere that effect was most desirable. A political or geographical vote could not have that effect anywhere; and, therefore, he hoped not to see such a vote.

“A single other remark, Mr. W. said, and he would occupy the attention of the Senate no longer. The gentlemen from the south assure us they have no apprehension for their safety, and for the safety of their respective States, let the present excitement result as it may. It was pleasant to him to hear these assurances. They were calculated to do good everywhere; but he must say, in sheer justice to the non-slaveholding States, that they should not be made in a manner to carry with them the implication that our fellow-citizens of the south are to meet

enemies in the great body of the citizens of the north. Such is not the fact — they are friends to the south; friends to the constitutional rights of the south; friends to the peace of the country; friends to the preservation of the Union of these States; and they will, upon all occasions, and in every place, perform all their constitutional duties, as pointed out by the honorable Senator from Virginia [Mr. Leigh]. They will, upon every call, most cheerfully lend their aid to quell insurrection, not promote it; they will open their arms, not present their bayonets, to all their fellow-citizens, of whatever section of the Union.

“ Mr. Calhoun could not concur with the gentleman from New York that so much delicacy was to be shown to the very small part of his own State he referred to, that these petitions were to be rejected, lest the refusal to receive them might be considered as a violation of the right of the citizen to petition Congress. But, said Mr. C., does the gentleman look at our side of the question? If his constituents, continued Mr. C., are to be treated with so much respect that their petitions are to be received, what is to be considered as due to our constituents? The Senator considered the petition before the Senate as moderate in its language — he did not say otherwise — language, said Mr. C., which treats us as butchers and pirates. The Senator said they must receive this petition and reject it, lest it might be considered as violating the right of petition. To receive it and immediately reject it. This looked something like juggling. Was the petition of sufficient consequence to be received, and at the same time of so little consequence as to be immediately rejected? Was it intended merely that this petition was to be put on the files of the Senate as a record to show the opinion entertained of the people of the south by these abolitionists? The Senator told them that this abolition spirit had subsided at the north. He told them that this convention of Utica, which he spoke of as an exception to the general feeling in his State, was compelled to disperse. Well, within a few days a newspaper published at Utica had been handed to him, called the Oneida Standard and Democrat. He supposed the gentleman was acquainted with its character; it was headed ‘For President, Martin Van Buren of New York; for Vice-President, Richard M. Johnson of Ken-

tucky.' This paper contained a most violent attack on the southern States and their institutions.

"[Mr. WRIGHT explained — he only wished to state that it was the office where this paper was published which had been forcibly entered and the types thrown into the street, as he had before related; that it was for that offense against this paper, when the grand jury of the county refused to find bills of indictment; that neither himself nor his friends could be responsible for the names which such a paper might choose to place at its head; but that of this one fact he could assure the Senator of his own knowledge, that no other paper in the whole State was more universally or distinctly understood to be hostile to the political party to which he belonged than this paper; and he did not doubt that its columns would establish his position.]"

The reader of the debates in Congress on these petitions will not fail to observe that one class of southern politicians sought to hold Mr. Van Buren responsible for the acts of northern abolitionists who desired to agitate and spread their theories and wishes, mainly regardless of the consequences to the democratic or whig candidate for the presidency. It will not escape notice that Mr. WRIGHT manifested his usual tact and skill in vindicating the views and actions of Mr. Van Buren and his friends upon the subject of abolition, as well as other subjects, while he presented considerations upon the subject to the Senate which few then and no one now, will contend are not prudent, wise and conclusive.

CHAPTER LIII.

RELIEF OF THE NEW YORK SUFFERERS BY FIRE.

On the 16th of December, 1835, New York was visited by a desolating fire, in which 674 buildings, including some public edifices, were totally destroyed, and ranges of capacious and valuable stores and warehouses, dislodging about 1,000 mercantile firms. The fire extended over fifty-two acres of ground, and destroyed property valued at \$20,000,000. Many of the merchants whose property was destroyed were indebted to the United States on duty bonds. Their attention was turned to Congress for an extension of the time of payment of these and to other modes of relief.

The following remarks of Mr. WRIGHT will show what was done in the city on these subjects :

“ Mr. WRIGHT said he was charged with the presentation of a memorial on behalf of the citizens of the city of New York, and more especially in behalf of that portion of those citizens who were sufferers by the late conflagration in that city. Consequent upon that unexampled calamity a public meeting of the citizens of the city was called, and a committee of 125 persons, distinguished for their standing, was appointed to prepare a memorial to Congress for such relief as it might be supposed Congress could afford. The memorial he held had proceeded from that committee, and was signed by its chairman.

“ Mr. W. said the memorial was too long to authorize him to ask for its reading at the secretary's table, and he would therefore state, in the condensed language of the memorial itself, the relief prayed for, which was as follows :

“ ‘ 1. A remission or refunding of duties on goods in original packages, which have been destroyed by the late conflagration.

“ ‘ 2. An extension of credit on all the existing bonds for duties payable in this city, and falling due after the sixteenth of this month.

“ ‘ 3. A general *temporary* extension of the time of payment of cash and other duties on goods imported into the United States subsequent to the sixteenth of this month.

“ ‘ 4. An investment of a portion of the unappropriated surplus revenue of the United States, in such periods and such manner as will afford relief to the city of New York.’

“ These, Mr. W. said, were the specific modes of relief prayed for in the memorial. It was not his purpose to consider them at this time, but he felt it to be a duty he owed to his colleague and himself, upon the presentation of this memorial, to trouble the Senate with a single remark. This signal calamity upon a very numerous and most important portion of their immediate constituents had not been unnoticed by them, or failed to excite their most lively anxieties, but upon full deliberation they had believed that they, as the immediate representatives of the State in this body, should best discharge their duties here, and best consult the interests of those who had suffered, to wait any action, so far as action of Congress might be expected, until the specific wishes of those immediately concerned, and therefore most competent to specify their wants, should be made known. That had now been done in the memorial he held in his hand, and he most cheerfully communicated those wishes to the Senate. For the single reason assigned, and for no other, his colleague and himself up to this time had remained silent upon this important subject, and had not made any proposition, or in any shape brought the matter to the notice of the Senate.

“ Mr. W. then moved that the memorial, without a reading, be referred to the Committee on Finance, and that the same be printed.”

Mr. WRIGHT exerted himself to secure such relief as the losses sustained seemed to render proper. Congress limited its action at that session, to extending the time of the payment of the duty bonds which were then due or fell due after the fire, allowing five years for the payment of new bonds to be given in place of the old ones, with interest limited to five per cent instead of the usual rate of six.

CHAPTER LIV.

NATIONAL DEFENSE.

The high rate of duties imposed by the tariff law of 1828, and the unregulated spirit of speculation in public lands, nourished and encouraged by the paper system and the flush condition of the deposit banks, had filled our national treasury to overflowing, and eventually occasioned the distribution to the States of some \$28,000,000. A counter scheme for depleting the treasury was found in an extended plan of national fortifications. Surveys, estimates and reports were made. President Jackson was understood to favor the fortification mode of disposing of any considerable surplus which might find its way into the treasury. Distribution and fortifications were competing subjects of public policy, and divided the political parties with few exceptions; the whigs going for distribution and the democrats for fortifications. The discussions were emphatic, and aroused much warm feeling and some animosities.

Mr. Benton introduced a resolution in favor of appropriating the surplus revenue to objects of permanent national defense. This resolution was before the Senate on the 17th of February, 1836, when Mr. WRIGHT made the following remarks:

“*Mr. President* — I took the floor on Friday last to detain the Senate with any remarks of mine, in the course of this debate, with extreme reluctance; a reluctance arising from the manifest desire of this body to terminate the discussion and come to the question. The reluctance thus felt was greatly increased by the knowledge that many members, upon both sides of the House, understood that the debate was to close with the closing speech

of the mover of the resolutions [Mr. Benton], and that the question was to be taken when he should resume his seat. My own desire that the resolutions should receive, if possible, the unanimous vote of the Senate, still further increased my unwillingness to protract the discussion, as, in the then state of things, I considered it very desirable to have the vote of the Senate upon the resolutions, and the resolutions themselves, to go to the country with the message of the President announcing the mediation of England in our difficulties with France, that the sense of this body, as well as the message, might exert a beneficial influence, not only throughout our own country, but upon the other side of the Atlantic.

“So strong, Mr. President, was my anxiety upon this point that, even after the remarks made by the Senator from Virginia [Mr. Leigh], who followed the Senator from Missouri [Mr. Benton], I had consented, exceptionable in principle and practice as I considered those remarks to be, not to reply to them, but to let the question follow the speech of the Senator from North Carolina [Mr. Brown], he having succeeded the Senator from Virginia [Mr. Leigh] in the debate. When, however, the Senator from Ohio [Mr. Ewing] felt it to be his duty again to take part in the discussion, and not only to continue the debate, but, as to most of the essential points, to take the same ground which had been occupied by the Senator from Virginia [Mr. Leigh], my reluctance to obtrude myself upon the attention of the Senate yielded to a sense of the imperious obligation resting upon me as a member of the body, and as a representative, in part, of one of the States of this Union, not to permit positions so erroneous, and so dangerous in their tendencies, to be assumed and repeated without reply. My principal object in asking the floor had this extent — to reply, somewhat at large, to the remarks of these two Senators touching our relations with France, the difficulties which had grown out of them, and the duties of our government, as heretofore discharged, or hereafter to be discharged, in reference to the settlement of those difficulties.

“I had intended particularly to reply to the position assumed by the honorable Senator from Virginia [Mr. Leigh], that it was permissible, for any cause, or under any circumstances, that a

foreign government should interpose itself between the President and Congress; that any foreign government should have the right to ask, and that it should be the duty of any department of our government to make either explanation or apology (by whichever term the gentleman may choose to characterize the demand) touching any matter contained in any communication from the President of the United States to the Congress of the United States, or from the Congress of the United States to the President of the United States. [Here Mr. Leigh asked leave to explain, and Mr. W. yielded the floor to him for that purpose. He said the question discussed by him was not whether the explanation or apology ought to be made, because it had been conceded on all hands that the requisite explanation had been made in the last annual message from the President to Congress, but in what manner that explanation should reach the French government; whether by direct communication, in the ordinary course of diplomatic correspondence, or indirectly, by being contained in a message to Congress; and that he had contended that the former mode of direct diplomatic communication was preferable.] Mr. W. resumed. The question is understood alike by the gentleman and myself. He will not pretend that the annual message from the President to Congress, or any other message from that officer to this body, is a communication, in any sense, directly or indirectly, to a foreign government; that such messages are ever transmitted upon the demand or requisition of a foreign government, or that any foreign government can, in any proper view of the subject, be considered directly or indirectly as a party to these communications. They cannot, then, be termed either explanations or apologies to a foreign power; and the question returns, are we to permit any foreign government to interpose between these two branches of our government, and demand either explanation or apology in reference to the communications passing between them? No, never, Mr. President, while we remain an independent nation.

“I had also intended, said Mr. W., to have replied particularly to the position assumed by the honorable Senator from Ohio [Mr. Ewing], that things had better remain precisely as they then were, or as we supposed they then were, than to have a war

with France ; in other words, to give what I understood to be the purport of the Senator's position, we had better yield the execution of the treaty on the part of France, than to insist upon its fulfillment at the expense of a war.

“I am prevented, Mr. President, by the news which has reached the country since this subject was last under the consideration of the Senate, from replying to either of the gentlemen, or to any other gentleman who has addressed the Senate in the course of this debate touching our French relations ; and, consequently, I am prevented from making a reply to the two positions I have just stated, and which I have considered more exceptionable and dangerous than any other assumed by the gentleman. The information I have received through the public press, and otherwise, has entirely satisfied my mind that our difficulties with France are definitively and amicably settled ; that the money due under the treaty has been, many days since, actually paid ; that the French government have considered the last annual message of the President entirely satisfactory as to the offense they assumed was contained in the preceding one ; and that diplomatic relations between the two countries will be speedily resumed upon a friendly footing. I announce these convictions with the highest feelings of gratification ; and entertaining them, as I do, without the shadow of a doubt, it would be in the extreme improper, in my estimation, for me here to discuss any topic connected with, or involving in any manner, our relations with France, or to reply to any remarks which have fallen from Senators in that portion of the debate which has transpired touching those relations.

“I have, Mr. President, entered my distinct dissent from the two positions to which I have referred — the one assumed by the Senator from Virginia [Mr. Leigh], and the other by the Senator from Ohio [Mr. Ewing] ; and beyond that, for the reasons I have given, I must content myself, as to this portion of the debate, with simply saying to those who, since the transmission of the last annual message of the President to Congress, have pronounced our government in the wrong in this controversy with France, that France has not thought so ; to those who have considered it the right of France to interpose between the President

and Congress, and to demand explanations or apologies as to anything contained in his messages to this body, that France has withdrawn her claim to any such right ; to those who have contended that it was better for us to yield the execution of the treaty on the part of France, to give up our protection of our commerce upon the high seas, to surrender the rights of their citizens to indemnity for depredations upon that commerce, after those rights have been acknowledged and liquidated by the most solemn of all obligations between nations, the execution of a treaty for the payment of the claims—to surrender, in short, our national honor, by the concession that we cannot defend that honor, and its consequence, the safety of our commerce and the interests of our citizens, I must also content myself with saying that such have not been the views of the present administration of our government. That administration has considered it to be its highest duty to insist upon the execution of solemn treaty stipulations, to protect the rights and interests of our citizens, and the safety of our commerce, and, above and beyond all, to preserve the honor of the country against every assault or imputation, from whatever quarter that assault may be made, and at whatever hazard, even the hazard of an appeal to the *ultima ratio* of nations.

“ Beyond these remarks, Mr. President, I must confine myself to the resolutions before the Senate, with such very brief replies to a few remarks made in the course of the debates as I may find it my duty to make, excluding any reference to our foreign relations.

“ And here, said Mr. W., I must be permitted to say, if I understand the resolutions in their present shape correctly, that the information of the settlement of our difficulties with France does not, in the slightest degree, affect their object, or the action of the Senate upon them. They propose a permanent system of defense, external and internal, for the whole country—a system of defense which does not contemplate war, but the preservation of peace and security. I cannot better illustrate my understanding of the object of the resolutions than by detaining the Senate to read them. They are as follows:

“ *Resolved*, That so much of the surplus revenue of the United States, and the dividends of stock receivable from the Bank of the United States,

as may be necessary for the purpose, ought to be set apart and applied to the general defense and permanent security of the country.

“ ‘ *Resolved*, That the President be requested to cause the Senate to be informed —

“ ‘ 1. The probable amount that would be necessary for fortifying the lake, maritime and gulf frontier of the United States, and such points of the land frontier as may require permanent fortifications.

“ ‘ 2. The probable amount that would be necessary to construct an adequate number of armories and arsenals in the United States, and to supply the States with field artillery (especially brass field-pieces) for their militia, and with side-arms and pistols for their cavalry.

“ ‘ 3. The probable amount that would be necessary to supply the United States with the ordnance, arms and munitions of war, which a proper regard to self-defense would require to be always on hand.

“ ‘ 4. The probable amount that would be necessary to place the naval defenses of the United States (including the increase of the navy, navy-yards, dock-yards and steam or floating batteries) upon the footing of strength and respectability which is due to the security and to the welfare of the Union.’

“ Thus it will be seen at a single glance that the object is not to prepare, temporarily, for an impending or contemplated war, but for the permanent and durable defenses of the whole country against all dangers which may assail its peace and disturb its quiet, whether foreign or domestic, whether having their rise from without or from within. The pledge is general for the ‘ permanent security ’ of the country, and the inquiries are as broad as the whole Union, and cover all its great interests in reference to defense of coast, lake, gulf and land frontier, and every internal means of ‘ general defense and permanent security ’ of armories, arsenals and arms. They also cover the naval defenses of the country, and constitute, in contemplation, a permanent and durable system, in every sense in which I am able to comprehend that such a system could be adopted, with proper regard to the respective interests and perfect security of the whole country, and of all its great interests, external and internal. They do not, either in language or design, contemplate immediate war, but they look to a state of defense and security against any and every war which may come upon the country in all future time.

“ For the accomplishment of this great and paramount national object, the resolutions rely upon the surplus moneys in the trea-

sure, after the ordinary and necessary appropriations for the support of the government in its various departments shall have been paid, including the ordinary appropriations for the gradual improvement of the navy, and for the gradual progress in the construction and completion of the fortifications already commenced, and not any interference with those appropriations. Their object is to hasten the completion of perfect and secure defenses, by the application of moneys in the treasury not required for any other national object, but not to interrupt the course of the government in any of the other great interests for which the ordinary annual appropriations are made. They propose to pledge, not the revenue, but so much of the surplus revenue as may be necessary to this great object.

“The resolutions, then, Mr. President, or rather the first resolution, is, I apprehend, in the precise shape in which it should remain to meet the object the mover of the resolution had in view, and which I have in view in supporting them. This resolution is designed to act upon the surplus revenue only — upon that portion of the public moneys which shall remain in the treasury after all the ordinary calls upon that treasury have been fully answered; and it proposes to pledge so much of that surplus, ‘as may be necessary for the purpose,’ to the great object of permanent national defense and security. Am I right in my construction of this resolution in its present shape? If so, the amendment of the Senator from Delaware [Mr. Clayton], to strike out the word ‘surplus,’ ought not to prevail. That amendment will, to my understanding, change the whole character of the resolution, and destroy entirely the pledge designed to be made. The object is to set apart and apply to the general defense and permanent security of the country so much of the surplus of the revenues of the nation as may be necessary for that object; and if the form of the resolution be so changed as to apply its action to the revenues generally, and not to the surplus, it may be so construed as only to contain an expression that we will appropriate, for the present year, so much of the public money to the various purposes of defense as we may think proper and necessary, and nothing will be ‘set apart’ for defenses which is not actually appropriated by the appropriation bills of

the year. Any surplus which may then remain in the treasury will be open to any other disposition which Congress may choose to make of it, without any infringement upon the pledge given by the resolution. This I do not understand to be in accordance with the object of the resolution. That object is to set apart a fund, such as may be necessary, to be exclusively applied to the defenses of the country, naval and military, and to constitute that fund of the surplus which shall remain in the treasury after the ordinary appropriations of the present and of each succeeding year shall have been paid. In other words, I understand the object to be to carry on the business of putting the country in a complete state of defense, internal and external, as rapidly as the means in the treasury will allow, without interference with the usual and necessary annual appropriations, in case the moneys which may be applied to this object can be economically and usefully expended as fast as they accumulate; but, if they cannot, that a permanent fund be 'set apart' from these accumulations, sufficient to accomplish the end in view, at the earliest practicable period. Surely, then, the word 'surplus' should be retained in the first resolution, that the pledge may be made effectual and operative, and that the means to accomplish this vital object of national defense may be secured from the surplus moneys in the treasury, before any other disposition shall be made by Congress of the present or any future accumulation of means beyond the ordinary annual wants of the country.

"I have said, Mr. President, that I would vote for the resolution, whether this amendment should or should not prevail. I still retain the same opinion, but I am bound in candor to say that, when the amendment was first proposed, I did not think it at all important, and rather derived the impression that, if it could be considered as changing the character of the resolution at all, it must be held to go beyond the object of the mover, and more rapidly than he proposed to go. Upon reflection, I am satisfied that I did not correctly appreciate the force and bearing of the word 'surplus,' proposed to be stricken out, and that, without that word, we shall merely resolve that we will appropriate for this single year so much of the money in the treasury as a majority of this body shall believe 'may be necessary and

can be usefully expended towards the general and permanent defenses of the country,' while the surplus, if any, in the treasury will not be 'set apart' or pledged to this great object, but will remain subject to any disposition which Congress may choose to make of it, without an infraction of our resolution. Our purpose to defend the country will be declared, but the means to do it will not be 'set apart' by our expression. For these reasons I hope the proposed amendment may not prevail, and that the first resolution may retain its present form.

"There is, Mr. President, another amendment proposed to this resolution, upon which I must trouble you with a single remark. I refer to the proposition of the Senator from South Carolina [Mr. Preston], to strike out the whole resolution after the word '*Resolved*,' and to insert the following:

"That such appropriations as may be necessary for the purpose ought to be made, to carry on the system of general defense and permanent protection of the country.'

"This amendment, if adopted, will make the resolution much more vague and unmeaning than to adopt the amendment of the Senator from Delaware, to strike out the word 'surplus.' Indeed, if I rightly comprehend this proposition, it merely declares that we will, for the present year, make the same appropriations for the defense of the country which have been regularly and uniformly made from about the close of our late war with Great Britain to the present time, the appropriations of the last year being alone excepted. Is it, then, Mr. President, necessary for us to declare, by a resolution, that we will not now stop the ordinary appropriations for defense which have been regularly made for nearly twenty years last past? Does any member of this body contemplate, for a moment, that those very limited appropriations will be either suspended or diminished? Surely, then, we cannot be asked to adopt this amendment. The resolutions under debate propose to accelerate our progress in the work of defense, by the application of the surplus revenues of the country to that work. This amendment proposes to 'carry on the system' as it now exists, and has been carried on for the period I have mentioned. The resolutions propose to extend our system of defense, and make it universal and applicable to all

dangers, external or internal. The amendment proposes to carry on 'the system' now in progress, without extension. I need not say more to satisfy the Senate that the adoption of this amendment would be an entire defeat of the resolutions offered by the Senator from Missouri.

"Mr. President, if the resolutions retain their present shape, they are, as has been said by the mover of them, antagonist to the proposition of the Senator from South Carolina [Mr. Calhoun], to divide the surplus revenue among the States. Both propositions act upon the same money, and propose very different dispositions of it. The former proposes to expend it, or so much of it as may be necessary, for the great object of national defense. The latter proposes to give it to the States, to be expended at their pleasure, not for national, but for State objects. They are, therefore, directly antagonist. I think the resolution, also, equally antagonist to the measure introduced by the Senator from Kentucky [Mr. Clay], and known here by the designation of 'the land bill.' It is not now my purpose to inquire how far the principles of this measure and of that proposed by the Senator from South Carolina are the same, and wherein they may differ. They both propose a distribution to the States of a sum equal to the whole surplus in the treasury. They both act upon the same money; and the resolution before us, proposing to set apart so much of that surplus as may be necessary to be expended upon the national defenses of the country, must be equally antagonist to both, because it proposes to apply in a different manner, and for a very different purpose, a part, or the whole, of the fund upon which both the other propositions act.

"Much has been said by several gentlemen, in the course of the debate, as to the amount of this surplus. I have, Mr. President—used my best efforts to inform myself truly upon this point, and I will now give to the Senate the result of my inquiries. I sought the information at the Treasury department, because I knew no other place where correct and certain information could be obtained upon the point; and the statement I am about to make is one prepared from information communicated from the head of that department, and rests upon the authority of the accounts of receipts and expenditures kept in that office, with very trifling

exceptions, which will be seen to be matters of estimate. I have found it necessary to give this result in the dry form of figures and arithmetical deductions; but I have compressed it into as small a compass as was possible, and in that form I will give it to the Senate :

“The money in the treasury, on the 1st January, 1835, was \$8,892,858.

“The collections of the first three quarters of the year 1835, as ascertained before the Secretary’s annual report was made, were \$23,480,881.

“The collections of the fourth quarter of 1835, as far as those collections have been yet ascertained, are \$10,919,852.

“In addition to these sums, the Secretary now estimates that there will remain, to be added to the receipts of the year 1835, as part of the collections of the fourth quarter, not yet ascertained, \$230,000.

“This will show an aggregate of means, for the year 1835, of \$43,523,591.

“Deduct from this aggregate the expenditures of the first three quarters of the year 1835, as ascertained before the annual report of the Secretary was made, \$13,376,141.

“Deduct also the actual expenditures of the fourth quarter of 1835, as now ascertained with sufficient accuracy for this calculation, \$4,050,000 — \$17,426,141.

“And then there will remain an apparent surplus of \$26,097,450.

“From this apparent surplus, the following deductions must be made to ascertain the real surplus, viz. :

“1st. The unavailable funds in the treasury, which constitute a part of the balance remaining in the treasury on the first day of every year, as shown by the accounts, \$1,100,000.

“2d. The amount of outstanding appropriations, being sums appropriated by law, but which have not been called for at the treasury at the close of the year. This amount is an estimate, but it is arrived at by making a deduction from the whole amount of outstanding appropriations of all such portions as are supposed likely not to be called for, and, consequently, to pass to the sinking fund. It is, therefore, in all probability, sufficiently small — \$7,595,574.

“3d. The estimate of expenditures for the fourth quarter of 1835 was \$4,800,000. The actual expenditures of the quarter, as ascertained and above given, have only been \$4,050,000, leaving a balance of the estimate over the expenditures of \$750,000. As the estimate is made from claims known to exist against the treasury, the reason for this difference between the estimated and the actual expenditures for this quarter has grown out of the fact that an amount of these claims, equal to the difference of \$750,000, has not been presented for payment within the quarter, which, it was anticipated, would be presented and paid. The claims, however, remain, and must be paid in 1836, and therefore this amount of outstanding appropriations, not having been included in the general estimate of outstanding appropriations last above given, because it was not expected they would be outstanding at the close of the year, should also be deducted, \$750,000; making \$9,445,574.

“These sums deducted, leave the true surplus of money in the treasury on the 1st day of January, 1836, that being \$16,651,876.

“It is due to the Secretary of the Treasury that I should, in this place, give to the Senate his explanation of the very great difference between the revenue anticipated and the actual revenue received, for the fourth quarter of the last year.

“The actual receipts into the treasury, as already ascertained during that quarter, are \$10,919,852.

“The Secretary estimates that there has probably been collected, and not yet ascertained at the department, a further amount, during the same quarter, of \$230,000.

“Showing the whole probable receipts of the quarter to be \$11,149,852.

“In his annual report on the state of the finances, the Secretary estimated the revenue of this quarter at \$4,950,000.

“Which sum, taken from the now ascertained and estimated receipts of the quarter, will leave an excess beyond his anticipation of \$6,199,852.

“The receipts from the sales of public lands during the fourth quarter of 1835, beyond any reasonable anticipation formed upon past experience, account for a very large share of this excess. There was paid into the various land offices, during the last two months of that quarter, the following amounts:

“In the month of November, 1835, \$1,776,000; in the month of December, 1835, \$2,340,000; making a total of receipts from the sales of land alone, during those two months, of \$4,116,000.

“These immense sales, too, were made when no important public sales were advertised to take place, or did take place. The payments which constitute this great total were almost exclusively made upon lands purchased at the government minimum price; in other words, taken, as I believe the phrase is, at private entry. The proceeds from lands for these two months, thus obtained, have more than equaled many former years, and have by far exceeded the receipts of any two former months, and anything which could have been anticipated in the absence of important public sales.

“Another cause of the excess of receipts over the estimate for the fourth quarter of 1835, given by the Secretary, is, that the apprehension of a war with France, and of consequent commercial interruptions and disturbances generally, produced an increase of importations within that quarter far beyond any anticipation entertained by him, and far beyond any former example. The actual collections of duties at the port of New York alone, not including the bonds taken and not falling due within the quarter, I think the Secretary assured me, amounted to full \$5,000,000, a sum almost equal to an ordinary half year's collection of revenue at that port. These two sources of revenue, so immensely and so unexpectedly swelled beyond any former precedent, have principally produced the excess of \$6,000,000 in the revenues of the last quarter of the last year.

“To return now, Mr. President, to the resolutions. Having seen what are the means in our hands to give them force and application, what, let me ask, are the considerations which call upon the Senate for their adoption? The first and most prominent, and one which appears to my mind entirely controlling, is the defenseless state of the country. That the country is defenseless seems now to be conceded by every Senator who has addressed the Senate upon this subject. We have the fact before this body, from sources entitled to our peculiar confidence. The chairman of the Committee on Naval Affairs [Mr. Southard] gave us, in the course of his remarks, a detailed account of the

condition of the navy, and of our force afloat and in service. Sir, it does not amount to a navy at all, compared to the extent of the coast we have to defend, and the immense and wide-spread commerce we have to protect: a single ship of the line, I believe, two or three frigates, and a few schooners and sloops of war. I will not pretend to be accurate in the enumeration the honorable chairman gave us, but I must say it was almost equivalent to no force at all upon the ocean, in comparison with what will always be required for defense and commercial protection. We have received also, from the honorable chairman of the Committee on Military Affairs [Mr. Benton], repeated accounts of the condition of our fortifications and land defenses: but one commercial town in the whole country, at the most, in any condition to be defended against an attack by sea: with one or two exceptions, not a gun in any of your forts, and no preparations for mounting them if they were there; nearly all the public works which have been commenced for the purpose of defense remain in an unfinished state, and cannot be made useful and secure without further large expenditures; the militia of the country badly armed, or entirely without arms, and all those portions of the Union most exposed to savage incursions or domestic insurrection, without armories and arsenals, from which arms may be obtained in cases of emergency and danger. Such, sir, is my recollection, very briefly sketched, of the picture we have often had presented from the chairman of the committee of this body more especially charged with the subject of our land defenses. Surely, then, if an entirely defenseless condition, both by sea and land, can urge us onward in the great work to which the resolutions invite us, we have a consideration here for their passage stronger than any friend to them could wish.

“ Mr. President, so clear and so palpable to the mind of every statesman, and to the feelings of every patriot, was the truism conveyed by the words of the Father of his Country, ‘in peace prepare for war,’ that those words have grown into a maxim which has remained undisputed for half a century. If the principle conveyed in this maxim be sound, and was ever practically applicable to any government upon the earth of which history gives us any account, with how much more force does it apply

to the government of the United States at this moment ! Sir, what is our pecuniary condition ? Without a dollar of debt ; in the midst of prosperity in every department of business, so abundant as almost to endanger plethora ; at peace with all the nations of the earth, and only momentarily disturbed by an Indian insurrection of limited extent, the danger from which has undoubtedly subsided before this hour ; with sixteen and a half millions of dollars in the national treasury, upon which the ordinary wants of the government make no call. This is our condition ; and shall we resist this call for the nation's defense, made under circumstances such as I have described ? We cannot — we shall not.

“Applicable to some portion of this body, Mr. President, is another consideration, which I feel bound to notice, and which appeals strongly to those to whom it is applicable for the passage of the resolutions, and the carrying out, to their full extent, the principles expressed by them. The present administration has been extensively complained of, in the course of the debate, for not having, during the six or seven years of its existence, put the country in a state of defense. The honorable Senator from Delaware [Mr. Clayton] met the question fairly, and placed his complaint upon the ground that the administration had adopted the principle that the national debt must be paid in preference to the conversion of the surplus moneys of the treasury to an increase of the navy and other works of defense. This is so, sir. I am aware there is a wide difference of opinion between the political parties of this country in relation to the policy of paying off and finally extinguishing the national debt. The administration has adopted the democratic policy, that plain policy which governs every prudent citizen in the management of his private affairs ; and has considered itself bound in honesty and honor, so far as the laws of Congress left the money of the government to its disposition, to apply every dollar of that money, not required for the necessities of the country, to the payment of the public creditors. To discharge the country from debt has been its first and highest pecuniary object ; to put it in a state of defense and security against external and internal danger stands next in the course of its policy. It is not my object, Mr.

President, at this time, to discuss the question whether the payment of a national debt be or be not a wise and sound policy. It is the policy which meets my most earnest and lively approbation. It is the policy of the Constitution; for the language of that instrument is, 'The Congress shall have power to lay and collect taxes, duties, imposts and excises.' For what, Mr. President? First, 'to pay the debts;' second, 'to provide for the common defense.' These are the constitutional uses to which the money of the people, in the national treasury, may be applied; and this is the order in which those purposes are mentioned in that sacred instrument.

"The honorable Senator from Virginia [Mr. Leigh] inquired, why did not the friends of the administration, when they had the power of the Senate, and the power of the formation of the committees of the Senate, make these provisions for the defense of the country, if they were considered so necessary? My answer to the Senator has just been given. The administration and its friends considered their first duty to be to pay the national debt. In that duty they proceeded as rapidly as the funds of the government and the legislation of Congress would permit them to go; but, before it was accomplished, and the debt paid, the power of this body passed from their hands, and with it the power of forming its committees.

"Mr. President, among the objections to the passage of these resolutions, which the debate has drawn forth, none has been heard by me with so much surprise as that made by the Senator from South Carolina [Mr. Calhoun], that 'to arm is to declare war.' I believe, sir, this principle was laid down by that honorable Senator in reference to a rupture with France, which, at the time he spoke, we all had some cause to apprehend; but is it sound, as applicable to the condition of our country then as now? Is it a principle which should govern the statesman, as applicable to any country at any time, and under any circumstances? I contend it is not, but precisely the reverse is the truth; that to arm and fortify, and be prepared for defense, is to preserve peace. What country is most liable to attack in the conflicts and collisions which will arise between rival nations? That one whose defenses are strong and adequate, or that one which is exposed

and defenseless? It surely requires no great skill, as a statesman or diplomatist, to answer so plain a question; and the answer **must** establish my position, and overturn that of the Senator.

“I will next proceed, Mr. President, to reply to some remarks which have fallen from the honorable Senators, touching the extent to which appropriations for defense ought to be carried.

“The Senator from Kentucky [Mr. Crittenden], whom I do not now see in his place, treated these appropriations as local, and calculated merely to benefit the portions of the country where the moneys are to be expended. Pursuing this train of argument, he said he was not willing to devote the whole surplus to defenses, to the construction of fortifications, to the building of ships, to the supply of ordnance, to purchase of swords and pistols; that he could not consent to yield all to the coast and frontier, while the interior, and the State he had the honor in part to represent here, was to receive nothing; that he could not grant all for war; but a portion must be reserved for the purposes of peace. Was the gentleman correct in considering appropriations of money for the defense of the nation as local appropriations? as appropriations partial in their character, and calculated only to benefit the small districts of country wherein the moneys are to be expended? Will he, upon reflection, persist in governing his action by this rule? Is not our whole country one country? Are we not one people? Is not the blow of an enemy, strike where it may, a blow at us all? And is not the defense of any point equally, to that extent, a defense for the whole country? Are appropriations for building ships local appropriations, because those ships are to traverse the ocean, and not the interior of the country; because they are to meet and beat off an enemy before he reaches our soil, and not to meet him in the heart of the country? Has the gentleman considered the two acts we have passed during our present session, making appropriations toward the expenses of the Indian war at this moment waging in Florida, as local appropriations for the benefit of Florida? The assault of the enemy has been local, as the assault of any enemy ever must be; but is not the offense national, and the work of defense national and general? I am sure, Mr. President, the Senator will see the impropriety of this objection, and abandon it.

“The Senator further spoke of a demand for the plow-shares of his constituents to be converted into swords, and said they could not surrender them for that purpose. He mistakes the calls of the resolutions. Their object is not to convert the plow-shares of Kentucky into swords, but so to defend the country that the worthy husbandman of that and all the other States may hold their plows and till their grounds in peace and security, without danger from a foreign or domestic enemy. That is their object, and the money is now in the treasury of the nation to accomplish this great national and constitutional object; and the true question is, shall it be appropriated for that purpose, or shall it be expended for the gentleman’s purposes of peace? He did not specify what purposes of peace he had in view, but I inferred from his remarks that roads, canals and other works of internal improvements were what he intended. Is it wiser to neglect our national defenses for these objects, or first to use the money of the nation to put the whole country in a state which will enable it to defend these works against an invader when they shall be made? I consider the most effectual appropriations for purposes of peace appropriations for defense; and I again repeat, what I have already attempted to show, that the surest way to preserve peace, to an extensive, rich and prosperous country like ours, is to be prepared to defend ourselves promptly and effectually against war, come from what quarter it may.

“Again: the Senator says the country has not been hitherto defended by fortifications and a navy; and he asks, with much emphasis, were not the people of former days as patriotic as we are? Let me ask the Senator, does he suppose that our fathers of the Revolution, that the old Congress, if they had sixteen and a half millions of dollars at their command, would have proposed to divide it out among the colonies, ‘for purposes of peace,’ instead of applying it to the national defenses?

“Does he suppose that the brave men of the late war, who interposed their persons and lives against the march of an enemy upon our soil, would have neglected the business of permanent defense, if the country had been in the possession of means to prosecute that work? Does he believe that his brave and gallant constituents (and I most cheerfully concede to them bravery and

gallantry and patriotism, not surpassed by the citizens of any State in the Union) will call upon him to divide to them the small portion of this surplus revenue which may fall to their share, and will agree, in return for that bounty, to make breastworks of their persons when the hour of need shall come? They have done this upon a former occasion, when the country had not the means to prepare defenses. Now the debt of the Revolution, the debt of the late war, are paid and discharged, and the national treasury full to overflowing; and who will advise to postpone provision for the general defense, to the hazard of the lives of our citizen soldiery, if not of our national independence, that we may distribute the money to our respective constituents?

"Mr. President, the honorable Senator from Ohio [Mr. Ewing] told us he would vote liberal appropriations for the defense of the country; but most unfortunately for our condition, he assumed to prove to us that the appropriations for that object, which had been made in years past, were greater than we have the ability to expend. To establish his position, he read to us from a report of the head of the Engineer department, made to Congress at some former session, stating that there were not, in the service of the government, a sufficient number of engineers of skill and experience to superintend the public works already in progress, in a manner to secure the economical expenditure of the moneys appropriated, or to insure the proper construction of the works. I have not taken the trouble to look at the report to which the Senator referred, nor is it my object to impeach in any way the statements of the officer who made it. The report was necessarily confined to the engineers belonging to the corps of the government; and does the Senator suppose that all the science, all the skill, and all the experience in engineering which exists in the country is confined to that corps? Has he made himself believe that, if money be appropriated for the construction of forts, the arming of our fortifications, the building and equipment of vessels of war, the manufacture of arms, and the erection of armories and arsenals, the government cannot expend it, for the want of engineers of proper skill and experience? Give the money, sir, and call for their services, and you will have

competent engineers, who will constitute an army of themselves. If you do not, you will be much less fortunate than any State has been which is expending large sums upon public work requiring the most skillful and experienced engineers; and still no State has an organized engineer corps constantly in its service. Mr. President, the apprehension of the Senator is unfounded; for if money appropriated cannot be expended, in case the law making the appropriation be not too much restricted to reach the object designed, that fact will, I venture to say, be new in the history of government.

“But, as the gentleman relies upon the authority of the head of the engineer corps for this objection to an increase of appropriations for defense, and goes to a report made to a former Congress (upon what subject I know not), if he had been fortunate enough to have examined, with equal attention, the communications from that same officer made during our present session, and to be found upon our files, confined to the subject of defenses, he would have discovered what his opinions really are as to the appropriations for fortifications alone, which the state of the country requires and demands from Congress; he would have found that officer telling us that, in addition to all the appropriations recommended in the general annual estimates, which are much larger than the estimates of former years, there is required for the year 1836, for the single object of commencing new fortifications for the defense of the sea-coast alone, the sum of \$2,503,800. And are we to believe that an officer of the standing of this one would recommend to us this large increase of our annual appropriations for a single object, when he knew the moneys ordinarily appropriated for fortifications could not be profitably expended? Surely, sir, we cannot be asked so to consider the recommendations from that quarter.

“The Senator supposes he has also discovered that the ordinary annual appropriations for the navy cannot be expended, and have been unnecessarily large in past years. In proof of his position, he refers to a single item in a report made by the Secretary of the Navy to the House of Representatives, of the fourth instant, stating that the balance on hand of the moneys heretofore appropriated for the ‘gradual improvement of the navy,’ on the thirty-

first day of December last amounted to \$1,415,000, and adds, as it were in triumph, 'here is almost a million and a half of dollars of the appropriations of the last year yet unexpended.' Now, Mr. President, neither the Congress of the last year nor the last Congress, by any act of theirs, appropriated one dollar of this money, or of any money, for 'the gradual improvement of the navy.' All these appropriations are made by a law approved March 3, 1827, appropriating annually, for a term of years, \$500,000 for this object, which law was continued and extended by another law, approved 2d March, 1833. The expenditure of this money is confined, by the acts appropriating it, to the purchase of materials for ships, to the preservation of live-oak timber and to the improvement of the navy-yards, and can be expended for no other purposes whatever. Neither the Secretary of the Navy nor the Navy Commissioners can put two sticks of timber together, or do any other act toward the building, arming or preparing a ship for service out of this money. I know I shall be asked here, admit this appropriation to be thus limited, and are all the materials purchased which are now or may hereafter be required, that this large balance is suffered to remain unexpended? I will show presently that it is not unexpended, though it yet remains unpaid; but, to cause the subject to be fully understood, it is necessary to precede any explanation upon this point with the statement of the fact that the Navy Commissioners, who are the officers having charge of the expenditure of the money appropriated for 'the gradual improvement of the navy,' are prohibited, by the positive provision of a law of Congress, from anticipating in any way these appropriations. They cannot make a contract or a purchase in anticipation of the coming appropriation under this permanent law, much less may they contract any debts, or incur any liabilities, in anticipation of any future action of Congress. They must, therefore, wait until the appropriation is in fact made, and the money placed to their credit at the treasury, before they can even issue proposals for contracts. That is done, as I assume, from looking at the two acts, on the third of March in each year. After that date, then, they must call for proposals, by public notices, published in the newspapers for the period required by law. When that period

has expired, they must examine their propositions, give notice to the bidders scattered over the whole country that their bids are accepted, and obtain, as soon as they may, the execution of the proper contracts. Then, and not till then, the work of fulfillment, on the part of the contractors, can commence. And who does not see that a large portion of the current year must have passed, in every instance, before this point can possibly be reached? Is it strange, therefore, that large amounts of contracts should remain unclosed at so late a period as the few first days in the second month of the year succeeding that in which they are made?

“With these explanations of the laws of Congress, and the powers of the Commissioners under them, I proceed to show, from the report of the Commissioners themselves, the actual condition of this unexpended balance of \$1,415,000. I refer to document L, appended to the annual report of the Secretary of the Navy to the President, and by him communicated to Congress with his annual message at the commencement of the present session; and I cannot but observe that, had the Senator been fortunate enough to have had his attention turned to this document before he made his remarks, he would have saved me this tedious exposition of his error. The Commissioners, in the document referred to, give a summary of all their doings, under the act referred to making this permanent appropriation for ‘the gradual improvement of the navy,’ from the time of the passage of the act of the 3d March, 1827, up to the close of the third quarter of the last year. They conclude this statement by giving the whole amount of the appropriations under these acts, up to 1st October, 1835, at \$4,500,000, and the payments actually made out of this sum at \$3,002,755.80; leaving a balance of \$1,497,245.20. And then proceed to say:

“ ‘Of which there remained in the treasury, on the 1st of October, 1835, the sum of \$1,454,316.46. The balance, supposed to be in the hands of navy agents, is \$42,929.34; making a total, as above, of \$1,497,245.20.

“ ‘Of this sum there will be required, to meet existing engagements under the contract, about \$616,000; leaving for other purposes about \$881,245.20.

“ ‘Advertisements have been issued, inviting offers for furnishing the live-oak frames for five ships of the line, six frigates, five sloops of war,

five schooners and three steamers; which, if contracted for, will probably require about \$600,000 of the balance remaining, after meeting existing engagements.'


"Such, Mr. President, was the condition on the first of October last, of this unexpended balance of money appropriated for the improvement of the navy; between \$600,000 and \$700,000 of it due upon outstanding contracts, in reality expended, but not in fact paid. Of the balance, \$600,000 more was then set apart to make payments upon contracts, propositions for which had been called for, and were coming in, which propositions might come in so much higher than the anticipations of the Commissioners as to consume the whole sum. It is perfectly evident that, while the Commissioners are forbidden by law to anticipate future appropriations, they must, in all cases, when inviting proposals, keep themselves somewhat below the full amount of moneys in hand, so that, if their estimates of prices shall prove to be under those at which they can obtain offers, they may still be able to contract without a violation of the law, or without the inconvenience and delay consequent upon a rejection of all propositions, and an offer for new proposals based upon a new estimate. This is surely but a reasonable precaution, which would suggest itself to all faithful disbursing officers, scrupulous in their observance of the law, and anxious to promote the public service. So much for the facts; and now, Mr. President, for the argument drawn from them.

"By the laws of Congress as they are, and in consequence of the restrictions imposed by those laws upon the navy board, moneys appropriated, at the usual period of each year, for the gradual improvement of the navy, cannot be expended and the accounts closed within the same year, so as to prevent the appearance, in the accounts with the treasury, of an apparent unexpended balance on the first day of the following year. Therefore, the Senator infers, the appropriations for this object have been excessive, and greater than could be economically expended. Does this conclusion follow the premises? The delay in the expenditure has no connection with the amount to be expended, but arises solely from the advanced period of the year when the appropriations are made; the restrictions imposed, and, in my judgment,

most properly imposed, upon the disbursing agents, against anticipating funds not actually appropriated ; the forms required to be observed in making contracts, and the nature of the expenditure and the extent of the country in which it is to be made. Is it not, then, most palpable that the same time must be required, whether the expenditure be large or small ? Does anybody doubt that the amount of contracts for timber, and any other materials for ships, might be extended to almost any limit in this country, if the means of payment were placed at the disposition of the Commissioners ? Might they not as safely invite proposals, under this head of expenditure, for \$5,000,000 as for \$500,000 annually ? And will any one believe they would fail to receive propositions covering all the money they should propose to expend ? Most certainly not. The question, then, is not one of amount, but simply of time ; and, thus resolved, I am sure that I shall not be contradicted when I say that offers may be invited, propositions received, examined, accepted or rejected, and contracts executed for an amount of \$500,000 or of \$5,000,000, without any material variation in the time required to go through either process. Thus far as to expenditures for ‘ the gradual improvement of the navy,’ confined, as those expenditures are, simply to the purchase of materials for ships, to the preservation of our live-oak timber, and to the condition of our navy-yards.

“ But this is, by no means, the extent of the question presented. Ships are to be built, armed, manned and fitted for service ; a branch of expenditure not included in the appropriation I have been discussing ; a branch of expenditure now altogether unprovided for by any appropriation. May not such appropriations be expended simultaneously with the appropriations for the purchase of materials, without causing additional delay in time ? Most certainly they may.

“ Am I not, then, authorized to conclude, Mr. President, that we are not in the condition supposed by the Senator from Ohio [Mr. Ewing], and that the country is not, from necessity, to remain exposed and defenseless for half a century to come, not because we have not the means to put it in a state of defense, but because we cannot expend the money if Congress appropriate it ? May I not hope that the resolutions will no



longer be opposed, or appropriations withheld, on account of such an apprehension?

"I here take my leave of the resolutions, and a very few additional remarks shall conclude what I propose to say further.

"The subject of the loss of the fortification bill of the last session, and that of the \$3,000,000 appropriation for immediate defense, added by way of amendment in the House, and rejected in this body, have constituted prominent topics in this debate. Notwithstanding my particular relation to those subjects, as a member of the Committee on Finance, and of the Committee on Conference, I do not feel called upon to enter into that portion of the debate at the present time at all. The action of both the Senate and House upon that bill and the proposed amendment has long been matter of history before the country. The vote of every member of both Houses is shown by their respective journals, and the divisions had been given to the public through the whole press. The public judgment, as I think, was perfectly formed upon the propriety or impropriety of the votes given, and the course pursued by each individual, before we commenced a debate here upon the subject. Remaining perfectly satisfied, as I do, with my course and my votes, I have no disposition to attempt now to defend them. Were it otherwise, I should have no hope, at this day, to change, by anything I could say here, the deliberate and settled opinion of the public mind in the matter. I must, whether willing or not (and I hope and believe I am willing to do so), abide that judgment, and, so far as my action upon that subject is concerned, stand or fall by it. I voted for the three million amendment in all the shapes in which it was presented to me for my support here, and I most deeply regretted that it did not meet the approbation of this body. Of any action, out of this chamber, upon either the bill or amendment, it is not now my purpose to speak.

"It now becomes my duty to reply to one or two remarks which fell from the Senator from North Carolina [Mr. Mangum], in the course of his impassioned address to the Senate upon these resolutions. That honorable Senator, from what authority I know not, constituted me the representative of the Albany regency here. I know well, Mr. President, the individuals who are

understood to be included in that designation, and I know them to be citizens of the highest standing, honest, talented and patriotic ; men who serve the public faithfully and capably. The trust thus conferred upon me is an important and responsible one; and I will only tell the Senator that, while I continue to discharge it worthily, I shall stand firmly by the country, and the whole country, and by its interests and honor ; and that I shall vote the appropriations necessary for its entire defenses, before I vote to give away its funds to be expended upon doubtful schemes of internal improvement.

“The gentleman seems further to be occasionally deeply troubled in his mind by some imaginary body or association of men which he terms the “spoils party.” He is not alone in this. Other honorable Senators have manifested equal apprehension from the dreaded influence of this party, and none of them have left me in doubt as to the political party in this country upon which this term of opprobrium is attempted to be fastened. It is applied to the great democratic party of the Union. I will use my best efforts, Mr. President, to calm their apprehensions, by telling them that this party has been hitherto, with very few exceptions, enabled to keep the public opinion of the country upon its side ; that it has done so by following, and not attempting to govern, the popular will ; and that I have the fullest confidence it will be honest enough and wise enough to pursue the same course, and fortunate enough to meet with the same success in future. In any event, I think I may safely assure these gentlemen that, however greedy this party may be for the honors and emoluments of office, as it never has so it never will find it necessary to make a change in the organic law of the States where it has control, to enable it to retain office or power.

“I am now impelled, Mr. President, most reluctantly, to notice a topic introduced into this debate by the Senator from Ohio [Mr. Ewing], with how much relevancy I leave him to determine. That gentleman felt it to be his duty, in the course of his second address to the Senate upon these resolutions, to refer to the instructions given to Mr. McLane, when our minister at the court of St. James, and to animadvert upon these instructions with great severity. Notwithstanding this, had he chosen to

confine himself to the mere expression of his own opinions in relation to the instructions, he would have called forth no reply from me; but when he felt himself at liberty to call to his aid the majority of the American people, and to declare that they had sanctioned the views he expressed, that the instructions contained matter degrading to the character of our country, I was no longer at liberty to remain silent. [Here Mr. Ewing asked leave to explain. Mr. WRIGHT yielded the floor, and Mr. E. said the gentleman had misunderstood him; that he had not used the expression imputed to him, that a majority of the American people had agreed with him in opinion in relation to the instructions. He had said nothing about the majority of the people, but had confined himself to the expression of his own individual opinions.] Mr. W. said, I have then done with the subject. Mr. President, I understood the gentleman to make the remark or to advance the opinion that I have imputed to him. If he did not, I have no desire to reply at all to this part of his argument. It was by no means my purpose to open a debate upon the propriety of these instructions, as I consider that a question settled beyond the propriety of debate here; nor did I intend to make a single remark which could irritate the feelings of any member of this body, but merely to set the Senator right in reference to the decision of the people upon the question. As, however, I misunderstood him, and he did not lay down the position I supposed, I have not a remark further to make upon this part of the subject.

“ In the course of this very protracted debate, Mr. President, one other position has been assumed by several Senators, upon which I must ask your indulgence to a very brief reply. The position is, that the great and extended popularity of the President of the United States is a matter of danger to our institutions, and to the permanency of our republic. But for the gravity which has characterized all the remarks upon this point, I should have been compelled to doubt the sincerity of the gentlemen who have urged them upon us. The popularity of the President a matter of danger to the republic, sir! The popularity of the present chief magistrate dangerous! How has that popularity been acquired and maintained? Has it been by some

instantaneous and violent impulse given to the public mind, which may, and sometimes does, sweep away the judgment, and make it subject to the government of passion? We are now far advanced in the seventh year of the administration of this same chief magistrate. Has any man ever administered the affairs of this government against the efforts of a more talented, vigilant and untiring opposition? Has any administration, since the commencement of our national existence, presented to the people so great a number of immensely important and vitally interesting questions, connected with the principles and policy of our government? Have questions of this character, at any former period of our history, been so distinctly, emphatically and ably argued before the electors of the Union? Has any opposition to any former administration commanded more popular men, more high talent and character in the estimation of the country, more favorable opportunities to act upon the public mind and the public passions and prejudices, or more powerful aid of every character and description, than have favored the opposition to the President of the United States, from the first year of his administration to the present hour? I think, Mr. President, our opponents can give but one answer to these interrogatories. I then ask, further, has ever an administration, since the days of Washington, been more uniformly, more strongly, more generally, more triumphantly sustained by the people? Has not its popularity, and the popularity of the President, regularly increased with every new assault and upon every new trial? The answer to these questions must be affirmative. Is, then, a popularity thus acquired and thus sustained to be considered dangerous to the country, and an omen of the speedy dissolution of our happy and prosperous confederacy? Is the approbation of an overwhelming majority of the American people, obtained after more full and able and long-continued discussions before them than have hitherto been known to the politics of the country, to be set down as a popularity dangerous to liberty, and threatening its speedy overthrow? Sir, I cannot subscribe to opinions so injurious to the integrity and intelligence of the free people of these States.

“How, Mr. President, was it in the days of Gen. Washing-

ton? He was twice elected President of the United States, and passed through both of his official terms without even the form of an opposition. Has any man, from his day to this, ventured to pronounce his popularity dangerous to our existence as a nation? Was danger apprehended at the time by the patriots of the Revolution who surrounded him? They did apprehend danger from desperate and disappointed ambition, and from the madness of party excitements, but none from too much harmony in the public mind. I have heard of no fears growing out of the too great popularity of the President then; I feel none now."

CHAPTER LV.

SPECIE PAYMENTS.

In the palmy days of the Bank of the United States, it was claimed by its admirers that its bills were as valuable as specie, and some insisted they were better. In those days many valued State bank notes higher than specie. But there has ever been a large number of our people who have given gold and silver a preference over all bank bills. Among these Col. Benton — often called “Old Bullion” — stood prominent. He was a leading advocate of “mint drops,” as he called gold coin, and allowed few opportunities to escape unimproved of calling attention to his preferences.

A bill was before the Senate for the payment of pensions, and he offered an amendment in the following words :

“SEC. —. *And be it further enacted*, That no bank note of less denomination than twenty dollars shall hereafter be offered in payment, in any case whatsoever, in which money is to be paid by the United States or the Postoffice department ; nor shall any bank note, of any other denomination, be so offered, unless the same shall be payable and paid on demand, in gold or silver coin, at the place where issued, and which shall not be equivalent to specie at the place where offered, and convertible into gold or silver upon the spot, at the will of the holder, and without delay or loss to him.”

Mr. WRIGHT, in the course of the discussion, on the 28th of March, 1836, presented his views on the subject as follows :

“ Mr. WRIGHT said the object of the mover of the amendment to restrain the excesses of the present paper system of the country,

and infuse into our circulation a greater proportion of gold and silver, met his cordial and sincere approbation. He had labored, and was willing to labor in that cause, with that powerful and worthy leader; but he must say he was sorry that he had felt it to be his duty to make the bill now before the Senate the one upon which the principle of his amendment was to be tried. He was sorry, also, that the Senate was called upon to act upon this proposition until another bill which was now before the House, and which he soon hoped to see here, should have been acted upon by this body. He referred to the bill to repeal that provision in the charter of the Bank of the United States which compelled all the receivers of money due to the government, for any consideration whatsoever, to receive the bills of that bank. The charter of the institution expired, by its own limitation, on the fourth day of the present month; but two years are allowed by the charter, after that day, to enable it to close its business; and a question has arisen whether the clause of the charter making its bills receivable for debts due to the government expired with the expiration of the charter, or extended itself through the two years given to close the concerns of the bank. The head of the Treasury department has applied to Congress to solve the doubts by a repeal of that section of the charter, and a bill had been under the consideration of the House containing the desired provision. But, Mr. W. asked, would it be just to the deposit banks, or proper in itself, to impose upon them this restriction in paying our appropriations, while we compel them, by an express provision of law, to receive all the notes, of all denominations, of a particular institution, and that, too, after the charter of that institution has expired, and while measures are being taken, by those who have the management of its affairs, which are directly calculated to make the notes in circulation of a less value than par at every point but one in the whole country? He presumed his honorable friend from Missouri [Mr. Benton] was not aware of the course of policy adopted and adopting by the late Bank of the United States to continue the notes of that institution in circulation throughout the country, and to press them into the hands of the agents of the government, and consequently into the deposit banks, by the force of this legal privilege

extended to those notes, to the exclusion of all other notes of any bank in the country. It was his present object to inform the Senate and the country as to the policy pursuing in this matter; and to do so he would read parts of a correspondence with the Secretary of the Treasury, which had been put into his hands as a member of the Committee on Finance of the Senate, to show the necessity of the speedy passage of the bill to which he had referred.

“The officer in charge of the deposit bank at Boston wrote to the Secretary to know whether he was considered legally bound to receive these bills in payment of dues to the government, after the expiration of the charter of the bank. The Secretary, in his answer, inquired of the officer of the deposit bank how and in what case the question could arise and become important to the institution under his charge, telling him he presumed the payments for duties there had been and would continue to be made, chiefly, if not entirely, by checks on his own and the other banks of the city. To that suggestion the officer replied as follows:

“ ‘Heretofore, the branch bank in this city has redeemed the bills of the United States Bank, drawn here by regular course of business; consequently making them equal to the city bank bills, being, therefore, no difference in value; the payments to government have been made generally in checks and bills of the city banks. But this branch of the United States Bank now refuses to redeem any bills but of their own issue, and, consequently, every other city bank refuses to receive them. This depreciates in value all the United States Bank bills issued elsewhere, and they must be negotiated by brokers, and purchased for the purpose of paying debts due the government; the rate of exchange will probably cause them to be remitted from one city to another, when money is scarce, and to be placed in the hands of the bond-payers, to whom they will be equal to specie; although, payable at a distant part of the country, and for all other purposes, of less value. It was to guard, if possible, against this probable contingency that I addressed the department.

“ ‘Respectfully,

“ ‘CHARLES HOOD, *Cashier.*’

“The letter from which this extract is taken bears date ‘Commercial Bank, Boston, March 18, 1836.’ Here, Mr. President, we see that notes of this bank, not issued by the Boston branch, but by distant branches, are finding their way into the hands of the debtors of the government, in that town, and through them

into the deposit bank there, while the other banks of that city will not receive them at par at their counters, and the branch of the bank there will not redeem them. Hence they constitute a depreciated currency, and still our agent is bound by law to take them at par. Ought we, then, while our law imposes this burden and loss upon the deposit banks, to add, by our own voluntary act, the further restriction proposed in the amendment under discussion? Mr. W. said, he thought not. It seemed to him enough that we were compelling the deposit banks to receive a depreciated currency, and to account to us for it at par, without prohibiting them from making payments on our account in their own notes, which are at par, of denominations similar to the depreciated notes they are, by our law, obliged to receive.

“But, Mr. W. said, this is not all. The Secretary of the Treasury, having obtained this information as to the course pursuing in Boston to force these notes upon the government, made a call upon one of the directors of the Bank of the United States, appointed by the government, for further information as to the course taking by the late bank, and by its successor, in reference to its notes in circulation. The correspondence was very short, and he would read it to the Senate. The following is the letter of the Secretary :

“ ‘ TREASURY DEPARTMENT, *March 23, 1836.*

“ ‘ SIR.—I will thank you to inform me what disposition is made of the bills of the Bank of the United States as they are redeemed—are they kept on file, or destroyed—or handed over to the new bank, and by it reissued. And, also, to state who are the agents for the branches of the old bank; and whether these agents have been directed to redeem all the old bills or checks presented in the usual course of business, or only those issued by the branch for which they act.

“ ‘ I am, very respectfully, your obedient servant,

“ ‘ LEVI WOODBURY,

“ ‘ *Secretary of the Treasury.*

“ ‘ HENRY TOLAND, Esq., Philadelphia.’

“Mr. Toland’s reply is in these words :

“ ‘ PHILADELPHIA, *March 25, 1836.*

“ ‘ SIR.—In reply to your letter of the twenty-third instant, I beg leave to inform you that the circulation of the old Bank of the United States is

reissued by the new bank, and that no new circulation under the present charter has been prepared; that no one of its branches is considered as having any legal existence after the fourth instant; and that all the notes of the bank and its branches are considered as payable at the Bank in Philadelphia.

“ ‘I am, very respectfully,

“ ‘HENRY TOLAND.

“ ‘LEVI WOODBURY, Esq.,

“ ‘*Secretary of the Treasury.*’

“Here, Mr. W. said, is the present condition of things. We compel the deposit banks by law to receive at par, in payment of debts due to us, the notes of the late Bank of the United States, notwithstanding its charter has actually expired, and the institution no longer possesses banking powers. By a regulation of the directors, all those notes, no matter where issued, or by what branch, are to be redeemed at Philadelphia, and at no other place in the United States. This must depreciate the value of the notes, for all other purposes but that of payments to the government, at all points distant from Philadelphia. The deposit banks receiving them must send them to Philadelphia to be redeemed, or to convert them into current funds. They do receive them, and do so send them to the dead institution. Are they then discharged from further expense, and trouble, and loss, on their account? No, sir; the correspondence shows that another institution, to which this government is a stranger, immediately reissues, and returns to the place from whence they came, these same notes, to be again paid into the deposit bank as a depreciated currency, and again returned to Philadelphia at their cost, that they may exchange them for money. Who does not see that, by this process, these notes may for ever circulate as the legal currency of the treasury, and that they may be issued and diffused over every foot of our territory, to be purchased up, by those who owe the government, to the full extent of all the payments to be made to it? These notes, therefore, must constitute the deposits of the government in the deposit banks, and, by the amendment proposed, we prohibit their payment from those banks to the creditors of the government, and thus make them unavailable funds in their hands until they can be sent to Philadelphia, and their equivalent returned.

“Of this, Mr. W. said, he did not complain, as he did not wish that any creditor of the government should be compelled to receive, in payment of his demand, depreciated paper. Indeed, as he understood the law now to be, no creditor of the government was under obligation to receive anything but gold and silver, and that the acceptance of bank notes from the government, in any case where they were accepted, was the voluntary act of the person receiving them. He must say, however, that, until we ceased to compel the State banks to receive this depreciated paper, he could not believe that we ought to interdict them from the circulation, in their capacity as agents of the government, of their own notes, which are at par value, unless those notes were of the denomination of twenty dollars. If these notes of the Bank of the United States were to be, in this disadvantageous manner, but once redeemed by the deposit banks, they might be able to sustain themselves under the unreasonable burden; but when it was seen, by the correspondence he had read, that they were to be continued in circulation, that a single redemption was merely furnishing to another institution additional means for a reissue, he must express his apprehensions that if, in addition to these burdens imposed, other and important privileges were denied to them, or greatly restricted, they might be driven to refuse their services to the government, and thus lay the foundation for a new argument for a recognition and employment, if not a direct charter, of this new and dangerous State bank by Congress.

“His apprehensions upon this subject were by no means diminished by finding some of the most zealous friends of the late Bank of the United States advocating this amendment. These gentlemen, so satisfied with the safety and superior value of a paper currency, when that bank had existence, and its notes constituted that currency, had now become too sudden converts to the dangers of bank paper, and too hastily attached to a metallic circulation, to gain his confidence. What were their reasons for this great change? Did they desire, in this way, to prove that their former opinions as to one great bank were sound, and that such an institution alone could transact the public business and preserve the currency? Did they wish to embarrass the

deposit banks, at the moment when alarms as to their solvency were sounded from this chamber? Did they hope that such a course would compel the State banks to surrender their agencies, and thus produce a necessity for another national bank? Or had they become converts to the true, sound, democratic doctrine, that a metallic currency, for circulation among the people, was the course of wisdom and safety?

“He impugned no man’s motives, and he would hope the latter was the true solution of his inquiries. He knew that was the patriotic object of the mover of the amendment, and he would go with him, in heart and by his vote, as far as he could believe that safety or prudence would permit; but he did believe this amendment proposed too rapid a change. We had gone to the extreme in the paper circulation. We must retrace our steps gradually, and with care and caution, if we would avoid a convulsion dreadful in its effects, and much more dreadful in its consequences. The effects time might repair or efface, but the measures which might grow out of the agitations and disasters might ingraft themselves too strongly upon our institutions ever to be shaken off. Experience spoke to us upon this point in a voice of warning which no one should disregard. Great abuses, such as he believed a Bank of the United States to be, always took their rise from public distresses, and he feared too hasty changes in our present currency would produce these distresses and their consequences.

“Mr. W. said he wished the bill to which he had referred might be acted upon here, before the principle involved in the amendment should be adopted. He repeated, he would go as far as he could think safety would permit; but he hoped our progress would be gradual, that it might be sure. If we could relieve the deposit banks from the legal obligation of receiving the notes of the late Bank of the United States, he thought we then might safely make some advance toward limiting them in their payments of their own paper to the creditors of the government; but, until that was done, he was sorry to be compelled to act upon the proposition. [Mr. Davis here made an inquiry as to the amount of notes of the Bank of the United States in circulation.] Mr. W. said it was impossible for any person not possessed of

the books and papers of the new United States Bank, chartered by the State of Pennsylvania, to answer that question. He spoke from memory, and without confidence in his correctness, when he said he believed the last return of the Bank of the United States to the Treasury department showed some twenty or more millions of their paper in circulation; but that was no standard for the present time. The Senator did not seem to have understood the purport of the correspondence he had read. [Mr. W. here again read the letter from Mr. Toland, above given.] From this letter the gentleman will see that these notes, as they came in, are immediately reissued by another institution. How, then, can the question be answered as to the amount in circulation? And the answer to-day would be no answer for to-morrow. He wished further to state, what he believed to be the fact, that since the expiration of the charter, on the fourth instant, no returns of any description had been made to the treasury from the late bank; and it was to be presumed the directors considered themselves no longer bound to make the returns required by the charter. This, Mr. W. said, was the existing state of things, and gentlemen must see that hundreds of millions of these notes might be thrown over the country, but he feared that they could not so well tell what institution was to redeem them."

CHAPTER LVI.

DISTRIBUTION OF THE PROCEEDS OF THE PUBLIC LANDS.

The plethoric condition of the treasury invited plans for disposing of the surplus beyond the ordinary expenses of the government. A large portion of this excess was being derived from the public lands. On the 29th of December, 1835, Mr. Clay introduced the subject of distributing the net proceeds of the public lands among the States and Territories. This proposition was referred to a committee, who reported a bill to carry it into effect, which underwent a long and spirited discussion. How far this movement was intended to influence the pending presidential election each will judge for himself. The debate was continued, and, on the 20th of April, 1836, Mr. WRIGHT addressed the Senate, at great length, upon the subject. His remarks were so pertinent, clear and conclusive, and full of historical information, that they are copied entire. The labor of preparation for this argument was herculean, which few would have undertaken.

“ Mr. WRIGHT said he had proposed to offer some views to the Senate upon the bill under consideration, before the question should be taken upon its engrossment ; that the observations he intended to make had no relation to the amendments which were the immediate question under debate ; but that, as the course of debate had seemed to indicate that the general merits of the bill might be properly discussed in the present stage of the proceedings upon it, he would go on at present, unless the very late hour should make it the pleasure of the Senate to postpone the subject until a future day.

“ Before he could enter upon the argument he had proposed to

make, Mr. W. said he found himself bound to notice some few of the remarks which had fallen from the Senator [Mr. Southard] who had just resumed his seat. That Senator had informed the Senate, at various stages of his argument, that he intended to discard all partisan feeling and partisan remarks, and to discuss this important, and, in his judgment, most desirable measure, as a national, not a party proposition, — as a measure of general and universal interest, not as one promoting the temporary advancement of a particular class of politicians, or of a favorite candidate, but of the whole country.

“Mr. W. said he most cordially responded to the feelings of the Senator, as thus uttered and repeated, so far as any connection of partisan politics with the discussion was involved; and, although differing widely from him upon the benefits to be derived to the public from the passage of the bill, he fully and entirely agreed with him in the position that the measure was not partisan in its character, and ought not to be made so in the debate.

“It was his desire, at all times, to confine himself, in every discussion in this body, to the subject before it, and upon the present occasion he had supposed that subject was ‘the land bill,’ so called. Still he could not fail to notice that the Senator [Mr. Southard] had commenced his speech by a discussion of the railroad bill, and closed it by a dissertation upon the insecurity of the deposit banks. He would not assign motives to the remarks of this character, which have recently been heard in the Senate from various quarters, and as strongly from the Senator from New Jersey [Mr. Southard], at the close of his speech upon the land bill, as from any other quarter. He did, however, upon this occasion, consider it his duty briefly to notice those remarks, and the effects which they were calculated to produce. The present, he said, was a time of severe pecuniary pressure upon the large mercantile towns. The merchants were struggling to preserve their credit, and to raise the means necessary to carry on their business and meet their engagements. The struggle was severe and dangerous, but, if left to themselves, he had strong hope it would be successful and triumphant. The suspicion and distrust calculated to arise from such a state of things,

among capitalists and commercial men, are the strongest grounds for fear and apprehension.

“Could it, then, be wise or just to attempt here to shake confidence and destroy credit? Could it be beneficial to any national interest, or to any individual interest, to proclaim from this hall that those institutions of the country, from which alone the merchants can expect immediate and efficient relief in the present emergency, are unsound, irresponsible and rotten? Could it answer any end of patriotism or philanthropy, by declarations and denunciations of this sort, to produce runs upon these institutions, and thus put it out of their power to afford the merchants that aid which the crisis demands? Could it, in short, serve any valuable purpose to add a panic to the present pressure, and by destroying confidence in all quarters to render certain the bankruptcy and ruin which was now merely threatened? If the honorable Senator [Mr. Southard] could see any benefits likely to result from such a course, he could not. If that gentleman felt bound to act such a part, at such a time, he did not. He held his seat upon this floor for the performance of no such office, and he must express his deep regret that any others should thus construe their high duties here.

“He had seen no unusual cause for distrusting the banking institutions of the country, and certainly none for distrusting those which were strengthened by the possession of the public deposits. The statements made upon the subject were fallacious and deceptive. They were mere comparisons of the instant means of the institutions with the whole amount of their liabilities, a comparison which rejects entirely the item of ‘bills receivable,’ always the most important item in calculating the property and security of a sound and well-conducted bank. Let gentlemen add that single item to their statements, and they will show every deposit bank in the Union sound and secure.

“Mr. W. said he was sorry the Senator had not been able to close his remarks as he had commenced them, in a spirit of candor and mildness, and unaccompanied by those expressions of partisan prejudice and partisan passion which too frequently characterized his addresses before the Senate. He had appeared at the commencement to be fully conscious of the propriety and

policy of such a course in the present debate, and had avowed an intention to pursue it, and he, W., had witnessed his adherence to the intention, until near the close of his speech, with unfeigned pleasure; but the force of partisan feeling had got the better of the judgment of the Senator, and he could not bring himself to a conclusion without visiting upon the venerable man, now at the head of this government, his accustomed paragraph of denunciation and abuse. He, Mr. W., would say to the Senator, that he thought this portion of his remarks had better have been omitted; that his going thus out of the way to pour abuse upon the President, would not, even with his immediate constituents, add anything to the moral force of his argument, upon a subject which did not call for political recrimination.

“It was not his purpose to reply to the Senator, and these few remarks were all he proposed to offer, in reference to his observations, except, perhaps, to notice in passing, one or two of his positions which connected themselves with the train of reasoning he had proposed to pursue.

“He would, therefore, proceed with the observations he had intended to offer to the Senate, and, in doing so, he would attempt to show,

“First. That the bill is, in effect, a bill to distribute, not the ‘net proceeds of the public lands,’ as its language imports, but the revenues of the treasury generally.

“To establish this proposition, it will be necessary to show what have been the gross proceeds to the treasury of the public lands, from the commencement of the sales to the present time, what have been the expenses from the treasury, justly chargeable to the lands, and, in that way, to ascertain the ‘net proceeds’ now resting in the treasury. As the latest date to which the documents before the Senate would enable him to state these facts, Mr. W. said he had taken the 30th of September, 1835, because the accounts on both sides had been brought up to that date, and not, with any precision, to a later day.

| | | |
|---|--------------|------------------|
| “ ‘ The gross amount of money paid into the treasury for
the purchase of the public lands, from 1796 to the
30th of September, 1835, inclusive, has been..... | | \$58,619,523 00 |
| “ ‘ To this sum the following items are added in the state-
ment appended to the report of the Committee on
Public Lands of the Senate, which they claim to be
also proceeds of the public lands, viz. : | | |
| “ ‘ Certificates of public debt and army land
warrants | | |
| | \$984,189 91 | |
| “ ‘ Mississippi stock | 2,448,789 44 | |
| “ ‘ United States stock..... | 257,660 78 | |
| “ ‘ Forfeited land stock and military scrip, | 1,719,333 53 | |
| | | 5,409,973 61 |
| “ ‘ Thus showing a total of gross proceeds thus ascer-
tained of. | | \$64,029,496 61’ |

“ Mr. W. said it seemed to him that there were items in this account which ought not to be there, but they were, in all cases, so blended with items which he supposed proper, that it was impossible for him to distinguish the amounts, which, in his judgment, ought to be deducted from the above gross sum.

“ To illustrate his meaning: The first item was money paid into the public treasury; and, in the statement of an account between that treasury and the public lands, there could be no doubt that it should be debited to the former and credited to the latter. The second item was designated as ‘ certificates of public debt and army land warrants.’ From what he had been able to learn, the ‘ certificates of public debt,’ so far as they had been paid in lands, were properly chargeable against the treasury in an account with the lands, because their payment, in that manner, must have relieved the treasury from the payment of so much money. The amount, however, could not be ascertained from the statement, in consequence of the blending of these certificates with the ‘ army land warrants.’ These latter he supposed to be ‘ warrants’ for revolutionary bounty lands, and he could not see the propriety of valuing these lands and charging them against the treasury in the statement of this account. If he was mistaken in his supposition in relation to these warrants he hoped some Senator would correct him, but if he was not, the debts against the government were debts contracted for the conquest

chargeable against them; they were in money from the treasury, and having, to that extent, discharged the debt, against the treasury. The amount of, as he understood the subject, ought to be \$4,189.91, which constitutes the second of the public lands. What proportion of 'army land warrants,' and what of debt,' he had no means of determining, not make such a statement of the amount just. The third item was designated as this stock, Mr. W. said, he understood to be the celebrated Yazoo claim, and that the United States had become a party to the consequence of having stipulated with the State the considerations upon which that State had cession of the public lands to the United States against the Yazoo claimants. The stock, and was considered in the nature of land consideration of the lands out of which it was the amount here set down, is the amount of the canceled the same amount of the stock. It was, against the lands, and, to this amount, was paid canceled the debt to that extent. It did not, in favor of the lands against the treasury, was merely paid for themselves. This amount, \$8,789.44, ought, most clearly, to be deducted from above given of the gross proceeds of the public

item is 'United States stock.' This is supposed stock issued for loans of money for the support of, and to carry on the war of the Revolution; its payable upon the public treasury, and so far as the consented to take lands in payment, and did do so, of the lands is, most manifestly, a proper charge against in favor of the lands. This item, therefore, is to be properly included in this account.

fifth item, designated 'forfeited land stock and military

scrip,' is again supposed to consist partly of a proper and partly of an improper charge against the treasury. The 'forfeited land stock,' so called, Mr. W. said, he was informed had accrued in this way : Formerly the government sold the public lands upon a credit of five years, the purchase-money being payable in yearly installments, with the condition in the certificates, or contract of purchase, that, in case the purchaser did not perform the contract by making the payments at the times stipulated, he forfeited all payments made prior to his default. During the practice under this system a large amount of forfeitures accrued and the government resumed the possession of the land, the payments made by the respective purchasers, prior to their forfeitures, still remaining in the public treasury. The amount thus paid and forfeited were so large as to cause the subject to be brought before Congress, and laws were passed directing : stock or scrip to be issued to the various individuals who had made the payments thus forfeited, or to those claiming under them, authorizing the holder of the stock or scrip to locate, at the minimum price of the government, a quantity of the public lands equal to the value of the stock so held. This, therefore was in effect a mere sale of so much land for money paid into the treasury in advance, and, to the extent of the 'forfeited land stock,' is a proper charge against the treasury in a just statement of the account between it and the public lands.

"The other part of this item, designated 'military scrip,' Mr W. said he supposed to be scrip issued for military bounty lands to the Virginia line of the army of the Revolution, and to be subject to the same objections as a charge in this account, which he had previously urged against the 'army land warrants.' It was most clearly a debt against the government payable and paid in lands, and as the lands were conveyed to this government by all the States 'as a common fund' 'for the use and benefit of the several States, according to their usual respective proportion in the general charge and expenditures,' it was impossible to conceive how a debt of this character, assumed by this government as one of the considerations of the cession of the lands by Virginia and paid in the same lands, can now be considered a proper charge against the common treasury, upon a settlement

of accounts between it and those lands, with a view to ascertain their net proceeds now in that treasury.

“Mr. W. said this was a heavy item, amounting to \$1,719,333.53, and he deeply regretted that he was not able to determine and to inform the Senate what portion of this sum consisted of ‘forfeited land stock,’ and what portion of ‘military scrip,’ because it put it out of his power to make a precise statement of this part of the account in a manner which he could assent to as accurate and just.

“These remarks, however, went as far as it was in his power to go, to purge the statement made by the Committee on Public Lands, as to the gross proceeds from the public lands properly chargeable to the national treasury. He would not attempt to bring down a sum, because the two compound items in the account, the second and the fifth, in the order he had observed in their examination, rendered it impossible for him to do so with accuracy, and it had been and should be his object to adhere to facts, as far as he could possess himself of them, and when conjecture must be resorted to, to yield all to the friends of this bill.

“In consequence, therefore, of his inability to separate the improper from the proper portions of these two items, Mr. W. said he would allow the whole of both to the lands, and present a result stated upon that basis. It will be as follows :

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| “ ‘ The gross amount before given, as stated by the Committee on Public Lands, was. | \$64,029,496 61 |
| “ ‘ Deduct from that amount the single item designated | |
| “ ‘ Mississippi stock” | 2,448,789 44 |
| | <hr/> |
| “ ‘ And will leave a balance of. | \$61,580,707 17’ |
| | <hr/> <hr/> |

“This balance is larger than the true gross proceeds of the public lands, calculated from this statement, by the whole amount included in the second item, under the designation of ‘army land warrants,’ and in the fifth item, under the designation of ‘military scrip;’ but as neither of these amounts can be ascertained from the documents before the Senate, although they are known to constitute a large majority of both the items with which they

are connected, amounting together to \$2,703,523.44, they will be overlooked, and the balance last given, including the 'army land warrants' and the 'military scrip,' will, for the purposes of the argument, be considered the correct amount of the gross proceeds of the public lands.

"Mr. W. said it followed, of course, that his next duty was to show the amount of expenses properly chargeable against the lands, and consequently to be deducted from the gross proceeds as above ascertained, in order that he might arrive at the 'net proceeds' in the treasury on the thirtieth of September last.

"To do this from authority, and in a manner calculated to carry conviction to the mind, he must refer to two reports from the Secretary of the Treasury, made to the Senate in obedience to calls for the purpose, or rather to a call, as the one report was supplemental to, and amendatory of, the other. He referred to Senate documents upon the executive file, Nos. 65 and 80. The first, in the order of numbers, though the last in fact made, showed that the money paid from the treasury on account of the Cumberland road was \$5,956,024. The second, as numbered although the first and principal report, to which the former was a supplement, showed the following expenditures on account of the public lands, viz.:

"1. For expenditures under the head of the Indian department, which Mr. W. said he understood to be the expenses of Indian treaties, for the purchase of Indian titles to the public lands, the purchase-money paid to the Indians for those titles, the annuities in lieu of purchase-money, the expense of the removal and subsistence of Indians, and perhaps some other small items, incidental to the administration of our Indian affairs amounting in all to \$17,541,560.19.

"2. For the purchase of Louisiana, by the convention with France of the 3d of April, 1803, \$15,000,000, and the interest paid upon the stock issued for the payment of the purchase-money, from the time of the issue until its final redemption \$8,529,353.43, amounting together to the sum of \$23,529,353.43.

"3. For the purchase of Florida, by the convention with Spain of 22d February, 1819, \$5,000,000, and the interest paid upon the stock issued for the payment of the purchase-money, from

the time of the issue until its final redemption, \$1,489,768.66, amounting together to \$6,489,768.66.

"4. Payments to the State of Georgia as a part consideration for the lands ceded by that State to the United States, including, in the sums charged, the value of the arms furnished to the State under the compact of cession, \$1,250,000.

"5. The amount paid from the treasury to redeem that portion of the Mississippi stock (Yazoo claims) which was not canceled by the grants of land in extinguishment of the stock, as before referred to; and here, Mr. W. said, was the strongest argument he could desire to show the propriety of the deduction he had made of the amount of the Mississippi stock, paid in lands, from the gross proceeds of the public lands, as given by the committee which reported the bill. Here was a charge by the treasury against the lands of \$1,832,375.70, for so much money paid to redeem that portion of the stock which had not been canceled by the grant of lands, and one or the other propositions must unavoidably be true, to wit: Either this charge by the treasury against the lands, on account of the redemption of this stock, is wrong and ought not to be made, or the charge made in the statement of the committee of \$2,448,789.44 against the treasury and in favor of the lands, in consequence of the redemption of so much of the stock by grants of land, must be erroneous. Which proposition, then, can be sustained? To determine this question, it is only necessary to inquire how this indebtedness against the government attached, and upon what consideration it was incurred? The answers to these inquiries have already been given.

"The consideration to this government was the cession of the public lands by the State of Georgia, and the debt attached when this government stipulated, as one of the conditions of the compact of cession, to indemnify the State of Georgia to the extent of these payments, against the Yazoo claimants. The treasury of the nation received nothing, and should pay nothing; but the claims grew out of the lands ceded; were a part of the consideration of the cession; were, by this government, made payable out of the lands ceded; and if money was called from the treasury to cancel those claims, it was so called for and paid

on account of the lands, and formed a proper charge against them. Hence the propriety of the item now under consideration, charged by the treasury against the lands, for the redemption of 'Mississippi stock,' while the establishment of this charge in favor of the treasury, by the most natural and necessary consequences, rejects the charge against the treasury and in favor of the lands, for that portion of the stock paid in land, and not in money, from the treasury.

"6. The salaries and expenses of the General Land Office, amounting to \$797,748.64, which are paid from the treasury.

"7. The salaries of the several registers and receivers at the local land offices, which are separate from their commissions upon sales, and amount to \$91,153.39. These salaries are paid from the treasury.

"8. The salaries of Surveyors-General and their clerks, and the expenses of commissioners for settling private land claims and of surveying the lands claimed. The treasury has paid for these services and expenses the sum of \$860,567.78.

"9. Payments on account of the surveys of the public lands from the public treasury, \$2,780,630.97.

"This, Mr. W. said, brought him to the statement of the account between the public treasury and the public lands, as follows:

| | | |
|--|-----------------|-----------------|
| " 'Charge against the treasury, the gross proceeds of the public lands, as before settled..... | \$61,580,707 17 | |
| " 'Then credit the treasury with payments on account of the lands, according to the items as above settled, viz. : | | |
| " ' Payments for the Cumberland road.... | \$5,956,024 00 | |
| " 'Expenses under the head of Indian Department:..... | 17,541,560 19 | |
| " ' Sum paid for Louisiana, and interest.... | 23,529,353 48 | |
| " ' Sum paid for Florida, and interest..... | 6,489,768 66 | |
| " ' Sum paid to the State of Georgia | 1,250,000 00 | |
| " 'Yazoo claims, paid in money at the treasury | 1,832,375 70 | |
| " ' Expenses of the General Land Office... | 797,748 64 | |
| " 'Salaries of registers and receivers of public lands | 91,153 39 | |
| Carried forward..... | \$57,487,984 01 | \$61,580,707 17 |

| | | |
|--|-----------------|----------------------|
| Brought forward..... | \$57,487,984 01 | \$61,580,707 17 |
| “Salaries of Surveyors-General and surveys, and settlement of private land claims | 860,567 78 | |
| “Payments for surveys of the public lands | 2,780,680 97 | |
| | | <u>61,129,182 76</u> |
| “This will leave, as the whole “net proceeds” of the public lands in the treasury, on the 30th day of September last, the sum of... .. | | <u>\$351,525 41</u> |

“It will be seen that this statement of the account excludes from the charges against the treasury the single item of ‘Mississippi stock,’ amounting to \$2,448,789.44, and also excludes, upon the other side, from the charges against the lands, the sum of \$2,479,049.13, being money received for land by the receivers, and not paid into the treasury, but retained for commissions and other expenses pertaining to the register’s and receiver’s offices. Both these items balance themselves; the first being a debt contracted for the lands and paid in lands, and the second money received for the lands, and paid out for expenses on their account. Neither has brought anything into the public treasury or taken anything from it; and as this statement is between the public treasury and the public lands, both items are excluded.

“Mr. W. said he found another statement appended to the report of the Committee on Public Lands, giving as the entire amount paid by purchasers for public lands, \$67,578,949.73. This exceeds the amount given by the committee in the statements before referred to, and made the basis of the preceding calculation by \$3,549,453.12. It of course embraces the \$2,479,049.13, retained by the registers and receivers, and excluded from the foregoing statement of the account, as not having come into the treasury. This will account for so much of the excess in this last statement, because this is made up, not of the money paid into the treasury as proceeds of the lands, but of all the money paid by purchasers for public lands. There will still remain an excess of \$1,070,403.99, for which Mr. W. said he had not been able to account, as none of the documents he had discovered

among capitalists and commercial men, are the strongest grounds for fear and apprehension.

“Could it, then, be wise or just to attempt here to shake confidence and destroy credit? Could it be beneficial to any national interest, or to any individual interest, to proclaim from this hall that those institutions of the country, from which alone the merchants can expect immediate and efficient relief in the present emergency, are unsound, irresponsible and rotten? Could it answer any end of patriotism or philanthropy, by declarations and denunciations of this sort, to produce runs upon these institutions, and thus put it out of their power to afford the merchants that aid which the crisis demands? Could it, in short, serve any valuable purpose to add a panic to the present pressure, and by destroying confidence in all quarters to render certain the bankruptcy and ruin which was now merely threatened? If the honorable Senator [Mr. Southard] could see any benefits likely to result from such a course, he could not. If that gentleman felt bound to act such a part, at such a time, he did not. He held his seat upon this floor for the performance of no such office, and he must express his deep regret that any others should thus construe their high duties here.

“He had seen no unusual cause for distrusting the banking institutions of the country, and certainly none for distrusting those which were strengthened by the possession of the public deposits. The statements made upon the subject were fallacious and deceptive. They were mere comparisons of the instant means of the institutions with the whole amount of their liabilities, a comparison which rejects entirely the item of ‘bills receivable,’ always the most important item in calculating the property and security of a sound and well-conducted bank. Let gentlemen add that single item to their statements, and they will show every deposit bank in the Union sound and secure.

“Mr. W. said he was sorry the Senator had not been able to close his remarks as he had commenced them, in a spirit of candor and mildness, and unaccompanied by those expressions of partisan prejudice and partisan passion which too frequently characterized his addresses before the Senate. He had appeared at the commencement to be fully conscious of the propriety and

policy of such a course in the present debate, and had avowed an intention to pursue it, and he, W., had witnessed his adherence to the intention, until near the close of his speech, with unfeigned pleasure; but the force of partisan feeling had got the better of the judgment of the Senator, and he could not bring himself to a conclusion without visiting upon the venerable man, now at the head of this government, his accustomed paragraph of denunciation and abuse. He, Mr. W., would say to the Senator, that he thought this portion of his remarks had better have been omitted; that his going thus out of the way to pour abuse upon the President, would not, even with his immediate constituents, add anything to the moral force of his argument, upon a subject which did not call for political recrimination.

“It was not his purpose to reply to the Senator, and these few remarks were all he proposed to offer, in reference to his observations, except, perhaps, to notice in passing, one or two of his positions which connected themselves with the train of reasoning he had proposed to pursue.

“He would, therefore, proceed with the observations he had intended to offer to the Senate, and, in doing so, he would attempt to show,

“First. That the bill is, in effect, a bill to distribute, not the ‘net proceeds of the public lands,’ as its language imports, but the revenues of the treasury generally.

“To establish this proposition, it will be necessary to show what have been the gross proceeds to the treasury of the public lands, from the commencement of the sales to the present time, what have been the expenses from the treasury, justly chargeable to the lands, and, in that way, to ascertain the ‘net proceeds’ now resting in the treasury. As the latest date to which the documents before the Senate would enable him to state these facts, Mr. W. said he had taken the 30th of September, 1835, because the accounts on both sides had been brought up to that date, and not, with any precision, to a later day.

| | | |
|---|--|---------------------------------|
| “ ‘ The gross amount of money paid into the treasury for
the purchase of the public lands, from 1796 to the
30th of September, 1835, inclusive, has been..... | | \$58,619,523 00 |
| “ ‘ To this sum the following items are added in the state-
ment appended to the report of the Committee on
Public Lands of the Senate, which they claim to be
also proceeds of the public lands, viz. : | | |
| “ ‘ Certificates of public debt and army land
warrants | | \$984,189 91 |
| “ ‘ Mississippi stock | | 2,448,789 44 |
| “ ‘ United States stock..... | | 257,660 78 |
| “ ‘ Forfeited land stock and military scrip, | | 1,719,333 58 |
| | | <hr/> 5,409,973 61 |
| “ ‘ Thus showing a total of gross proceeds thus ascer-
tained of. | | <hr/> \$64,029,496 61’
<hr/> |

“ Mr. W. said it seemed to him that there were items in this account which ought not to be there, but they were, in all cases, so blended with items which he supposed proper, that it was impossible for him to distinguish the amounts, which, in his judgment, ought to be deducted from the above gross sum.

“ To illustrate his meaning: The first item was money paid into the public treasury; and, in the statement of an account between that treasury and the public lands, there could be no doubt that it should be debited to the former and credited to the latter. The second item was designated as ‘ certificates of public debt and army land warrants.’ From what he had been able to learn, the ‘ certificates of public debt,’ so far as they had been paid in lands, were properly chargeable against the treasury in an account with the lands, because their payment, in that manner, must have relieved the treasury from the payment of so much money. The amount, however, could not be ascertained from the statement, in consequence of the blending of these certificates with the ‘ army land warrants.’ These latter he supposed to be ‘ warrants’ for revolutionary bounty lands, and he could not see the propriety of valuing these lands and charging them against the treasury in the statement of this account. If he was mistaken in his supposition in relation to these warrants he hoped some Senator would correct him, but if he was not, the debts against the government were debts contracted for the conquest

of the lands, and properly chargeable against them; they were payable in land, and not in money from the treasury, and having been so paid, the lands had, to that extent, discharged the debt, but not secured a claim against the treasury. The amount of these warrants, therefore, as he understood the subject, ought to be deducted from the \$984,189.91, which constitutes the second item charged as proceeds of the public lands. What proportion of that item was made up of 'army land warrants,' and what of 'certificates of public debt,' he had no means of determining, and, therefore, he could not make such a statement of the amount as he should consider just. The third item was designated as 'Mississippi stock.' This stock, Mr. W. said, he understood to have grown out of the celebrated Yazoo claim, and that the Government of the United States had become a party to the transaction, in consequence of having stipulated with the State of Georgia, as one of the considerations upon which that State consented to make her cession of the public lands to the United States, to indemnify her against the Yazoo claimants. The stock was payable in land, and was considered in the nature of land scrip; it was the consideration of the lands out of which it was to be paid, and the amount here set down, is the amount of the lands conveyed to cancel the same amount of the stock. It was, therefore, a debt against the lands, and, to this amount, was paid by the lands and canceled the debt to that extent. It did not, however, raise a claim in favor of the lands against the treasury, because the lands merely paid for themselves. This amount, therefore, \$2,448,789.44, ought, most clearly, to be deducted from the statement above given of the gross proceeds of the public lands.

"The fourth item is 'United States stock.' This is supposed to have been stock issued for loans of money for the support of government, and to carry on the war of the Revolution; its payment was chargeable upon the public treasury, and so far as the holders of it consented to take lands in payment, and did do so, the value of the lands is, most manifestly, a proper charge against the treasury in favor of the lands. This item, therefore, is believed to be properly included in this account.

"The fifth item, designated 'forfeited land stock and military

scrip,' is again supposed to consist partly of a proper and partly of an improper charge against the treasury. The 'forfeited land stock,' so called, Mr. W. said, he was informed had accrued in this way : Formerly the government sold the public lands upon a credit of five years, the purchase-money being payable in yearly installments, with the condition in the certificates, or contracts of purchase, that, in case the purchaser did not perform the contract by making the payments at the times stipulated, he forfeited all payments made prior to his default. During the practice under this system a large amount of forfeitures accrued, and the government resumed the possession of the land, the payments made by the respective purchasers, prior to their forfeitures, still remaining in the public treasury. The amounts thus paid and forfeited were so large as to cause the subject to be brought before Congress, and laws were passed directing a stock or scrip to be issued to the various individuals who had made the payments thus forfeited, or to those claiming under them, authorizing the holder of the stock or scrip to locate, at the minimum price of the government, a quantity of the public lands equal to the value of the stock so held. This, therefore, was in effect a mere sale of so much land for money paid into the treasury in advance, and, to the extent of the 'forfeited land stock,' is a proper charge against the treasury in a just statement of the account between it and the public lands.

"The other part of this item, designated 'military scrip,' Mr. W. said he supposed to be scrip issued for military bounty lands to the Virginia line of the army of the Revolution, and to be subject to the same objections as a charge in this account, which he had previously urged against the 'army land warrants.' It was most clearly a debt against the government payable and paid in lands, and as the lands were conveyed to this government by all the States 'as a common fund' 'for the use and benefit of the several States, according to their usual respective proportions in the general charge and expenditures,' it was impossible to conceive how a debt of this character, assumed by this government as one of the considerations of the cession of the lands by Virginia and paid in the same lands, can now be considered a proper charge against the common treasury, upon a settlement

of accounts between it and those lands, with a view to ascertain their net proceeds now in that treasury.

“Mr. W. said this was a heavy item, amounting to \$1,719,333.53, and he deeply regretted that he was not able to determine and to inform the Senate what portion of this sum consisted of ‘forfeited land stock,’ and what portion of ‘military scrip,’ because it put it out of his power to make a precise statement of this part of the account in a manner which he could assent to as accurate and just.

“These remarks, however, went as far as it was in his power to go, to purge the statement made by the Committee on Public Lands, as to the gross proceeds from the public lands properly chargeable to the national treasury. He would not attempt to bring down a sum, because the two compound items in the account, the second and the fifth, in the order he had observed in their examination, rendered it impossible for him to do so with accuracy, and it had been and should be his object to adhere to facts, as far as he could possess himself of them, and when conjecture must be resorted to, to yield all to the friends of this bill.

“In consequence, therefore, of his inability to separate the improper from the proper portions of these two items, Mr. W. said he would allow the whole of both to the lands, and present a result stated upon that basis. It will be as follows :

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| “ ‘ The gross amount before given, as stated by the Com- | |
| mittee on Public Lands, was. | \$64,029,496 61 |
| “ ‘ Deduct from that amount the single item designated | |
| “ Mississippi stock”..... | 2,448,789 44 |
| | <hr/> |
| “ ‘ And will leave a balance of..... | \$61,580,707 17’ |
| | <hr/> <hr/> |

“This balance is larger than the true gross proceeds of the public lands, calculated from this statement, by the whole amount included in the second item, under the designation of ‘ army land warrants,’ and in the fifth item, under the designation of ‘ military scrip;’ but as neither of these amounts can be ascertained from the documents before the Senate, although they are known to constitute a large majority of both the items with which they

are connected, amounting together to \$2,703,523.44, they will be overlooked, and the balance last given, including the 'army land warrants' and the 'military scrip,' will, for the purposes of this argument, be considered the correct amount of the gross proceeds of the public lands.

"Mr. W. said it followed, of course, that his next duty was to show the amount of expenses properly chargeable against the lands, and consequently to be deducted from the gross proceeds, as above ascertained, in order that he might arrive at the 'net proceeds' in the treasury on the thirtieth of September last.

"To do this from authority, and in a manner calculated to carry conviction to the mind, he must refer to two reports from the Secretary of the Treasury, made to the Senate in obedience to calls for the purpose, or rather to a call, as the one report was supplemental to, and amendatory of, the other. He referred to Senate documents upon the executive file, Nos. 65 and 80. The first, in the order of numbers, though the last in fact made, showed that the money paid from the treasury on account of the Cumberland road was \$5,956,024. The second, as numbered, although the first and principal report, to which the former was a supplement, showed the following expenditures on account of the public lands, viz.:

"1. For expenditures under the head of the Indian department, which Mr. W. said he understood to be the expenses of Indian treaties, for the purchase of Indian titles to the public lands, the purchase-money paid to the Indians for those titles, the annuities in lieu of purchase-money, the expense of the removal and subsistence of Indians, and perhaps some other small items, incidental to the administration of our Indian affairs, amounting in all to \$17,541,560.19.

"2. For the purchase of Louisiana, by the convention with France of the 3d of April, 1803, \$15,000,000, and the interest paid upon the stock issued for the payment of the purchase-money, from the time of the issue until its final redemption, \$8,529,353.43, amounting together to the sum of \$23,529,353.43.

"3. For the purchase of Florida, by the convention with Spain of 22d February, 1819, \$5,000,000, and the interest paid upon the stock issued for the payment of the purchase-money, from—

the time of the issue until its final redemption, \$1,489,768.66, amounting together to \$6,489,768.66.

“ 4. Payments to the State of Georgia as a part consideration for the lands ceded by that State to the United States, including, in the sums charged, the value of the arms furnished to the State under the compact of cession, \$1,250,000.

“ 5. The amount paid from the treasury to redeem that portion of the Mississippi stock (Yazoo claims) which was not canceled by the grants of land in extinguishment of the stock, as before referred to; and here, Mr. W. said, was the strongest argument he could desire to show the propriety of the deduction he had made of the amount of the Mississippi stock, paid in lands, from the gross proceeds of the public lands, as given by the committee which reported the bill. Here was a charge by the treasury against the lands of \$1,832,375.70, for so much money paid to redeem that portion of the stock which had not been canceled by the grant of lands, and one or the other propositions must unavoidably be true, to wit: Either this charge by the treasury against the lands, on account of the redemption of this stock, is wrong and ought not to be made, or the charge made in the statement of the committee of \$2,448,789.44 against the treasury and in favor of the lands, in consequence of the redemption of so much of the stock by grants of land, must be erroneous. Which proposition, then, can be sustained? To determine this question, it is only necessary to inquire how this indebtedness against the government attached, and upon what consideration it was incurred? The answers to these inquiries have already been given.

“ The consideration to this government was the cession of the public lands by the State of Georgia, and the debt attached when this government stipulated, as one of the conditions of the compact of cession, to indemnify the State of Georgia to the extent of these payments, against the Yazoo claimants. The treasury of the nation received nothing, and should pay nothing; but the claims grew out of the lands ceded; were a part of the consideration of the cession; were, by this government, made payable out of the lands ceded; and if money was called from the treasury to cancel those claims, it was so called for and paid

on account of the lands, and formed a proper charge against them. Hence the propriety of the item now under consideration, charged by the treasury against the lands, for the redemption of 'Mississippi stock,' while the establishment of this charge in favor of the treasury, by the most natural and necessary consequences, rejects the charge against the treasury and in favor of the lands, for that portion of the stock paid in land, and not in money, from the treasury.

"6. The salaries and expenses of the General Land Office, amounting to \$797,748.64, which are paid from the treasury.

"7. The salaries of the several registers and receivers at the local land offices, which are separate from their commissions upon sales, and amount to \$91,153.39. These salaries are paid from the treasury.

"8. The salaries of Surveyors-General and their clerks, and the expenses of commissioners for settling private land claims and of surveying the lands claimed. The treasury has paid for these services and expenses the sum of \$860,567.78.

"9. Payments on account of the surveys of the public lands from the public treasury, \$2,780,630.97.

"This, Mr. W. said, brought him to the statement of the account between the public treasury and the public lands, as follows:

| | | |
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| " 'Charge against the treasury, the gross proceeds of the public lands, as before settled..... | \$61,580,707 17 | |
| " 'Then credit the treasury with payments on account of the lands, according to the items as above settled, viz. : | | |
| " 'Payments for the Cumberland road.... | \$5,956,024 00 | |
| " 'Expenses under the head of Indian Department:..... | 17,541,560 19 | |
| " 'Sum paid for Louisiana, and interest.... | 23,529,353 48 | |
| " 'Sum paid for Florida, and interest..... | 6,489,768 66 | |
| " 'Sum paid to the State of Georgia | 1,250,000 00 | |
| " 'Yazoo claims, paid in money at the treasury | 1,832,375 70 | |
| " 'Expenses of the General Land Office... | 797,748 64 | |
| " 'Salaries of registers and receivers of public lands | 91,153 39 | |
| Carried forward..... | \$57,487,984 01 | \$61,580,707 17 |

| | | |
|--|-----------------|----------------------------|
| Brought forward..... | \$57,487,984 01 | \$61,580,707 17 |
| “Salaries of Surveyors-General and surveys, and settlement of private land claims..... | 860,567 78 | |
| “Payments for surveys of the public lands..... | 2,780,630 97 | |
| | | <u>61,129,182 76</u> |
| “This will leave, as the whole “net proceeds” of the public lands in the treasury, on the 30th day of September last, the sum of... .. | | <u><u>\$351,525 41</u></u> |

“It will be seen that this statement of the account excludes from the charges against the treasury the single item of ‘Mississippi stock,’ amounting to \$2,448,789.44, and also excludes, upon the other side, from the charges against the lands, the sum of \$2,479,049.13, being money received for land by the receivers, and not paid into the treasury, but retained for commissions and other expenses pertaining to the register’s and receiver’s offices. Both these items balance themselves; the first being a debt contracted for the lands and paid in lands, and the second money received for the lands, and paid out for expenses on their account. Neither has brought anything into the public treasury or taken anything from it; and as this statement is between the public treasury and the public lands, both items are excluded.

“Mr. W. said he found another statement appended to the report of the Committee on Public Lands, giving as the entire amount paid by purchasers for public lands, \$67,578,949.73. This exceeds the amount given by the committee in the statements before referred to, and made the basis of the preceding calculation by \$3,549,453.12. It of course embraces the \$2,479,049.13, retained by the registers and receivers, and excluded from the foregoing statement of the account, as not having come into the treasury. This will account for so much of the excess in this last statement, because this is made up, not of the money paid into the treasury as proceeds of the lands, but of all the money paid by purchasers for public lands. There will still remain an excess of \$1,070,403.99, for which Mr. W. said he had not been able to account, as none of the documents he had discovered

gave any information how this amount was paid, or to what uses the payments had been applied. One thing, however, was certain. It had not come into the public treasury, because all the statements, both from the committee and from the Treasury department, agreed that \$58,619,523 was the whole amount of money which had ever been received into the national treasury from the sales of the public lands, up to the 30th of September last. That sum he had taken in his statement of the proper charges against the treasury in favor of the lands. It was probable, therefore, that this excess had been expended for the lands before it reached the treasury, or that its payment had been made, not in money, but in satisfaction of some description of claims against the lands themselves.

“If, then, he was right in these calculations, the whole ‘net proceeds’ of the public lands in the treasury, on the 30th day of September, 1835, only amounted to \$351,524.41; and, were the bill general and applicable to the whole of the net proceeds of those lands, from the commencement of the government to that day, it would act upon and distribute among the States but this amount.

“It was, however, his intention, Mr. W. said, to place this view of the subject upon grounds which could not be contradicted, and, therefore, for the sake of the argument, he would suppose he was mistaken in every instance in which he had attempted to correct the account upon the one side or the other, and see how it would stand, assuming the highest sum given as the gross proceeds of the lands, and deducting from that sum the gross payments, shown by the documents from the Treasury department to have been made on account of the lands.

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| “ ‘The whole sum paid by purchasers of public lands, including the military land warrants, certificates of public debt, Mississippi stock, United States stock, forfeited land stock, military scrip, and all other payments of every description whatsoever, is given by the committee at | \$67,578,949 78 |
| “ ‘The whole payments for account of the lands are stated, in the two documents referred to, at..... | 63,608,231 80 |
| “ ‘This mode of stating the account will show a balance, as the “net proceeds” of the public lands in the treasury on the 30th day of September last, of.. | <u>\$3,970,717 84’</u> |

"This result, Mr. W. said, he considered entirely erroneous, as embracing an amount of more than three millions of dollars on account of military land warrants, Mississippi stock, and military scrip, not properly chargeable against the treasury. Yet it would appear in the sequel that the position he had taken, that the bill, in effect, would not distribute the 'net proceeds' of the public lands only, but also the revenues of the treasury derived from other sources, would not be affected, whether the one statement or the other of the account should be adopted as the true statement.

"Hitherto, Mr. W. said, his remarks had been predicated upon the supposition that the bill was general and applicable to the net proceeds of the public lands in all past years, and upon that basis he trusted he had shown that the sum which remained in the treasury on the thirtieth of September last, subject to distribution among the States according to its provisions, was less than \$400,000, and certainly less than \$4,000,000.

"He would now proceed to examine the bill as it is, and its practical effect upon the moneys in the treasury on the day referred to. The bill is not general, but confined in its operation to a specific number of years, to wit: Its action commences with the commencement of the year 1833, and terminates with the termination of the year 1841, extending over a period of nine years. By its language it purports to distribute the 'net proceeds' of the money received into the treasury from the sales of the public lands for those years. He would not attempt to give a construction to the bill, but would take, in this particular, the practical construction given by its friends. Most, if not all of them, have exhibited to us in figures, and sums of money to be divided, the whole amounts received into the treasury from the sales of the public lands. They have made no deductions for expenses beyond those made before the money reaches the public treasury. In holding up this golden prize to the acceptance of the States, they have told us nothing of the cost to the public treasury of their acquirement, or of reclaiming them from the possession of those natives, whose inheritance they were, until purchased by the moneys of the nation. The bill is retrospective and prospective. The arguments in its favor have depended

mainly, for their moving force, upon the sums received into the treasury for the years 1833, 1834 and 1835, from the lands, while the prospective arguments for the years 1836, 1837, 1838, 1839, 1840 and 1841, have received all the embellishments of an imagination excited, in a pecuniary sense, by the contemplation of millions, with a familiarity with which the mind of the industrious citizen contemplates dollars, until the expansion of imaginary wealth has reached almost beyond the bounds of arithmetical enumeration. The picture thus drawn has not been shaded by the expenses paid from the common treasury on account of the public lands, while its foreground has been fully and perspicuously occupied by the receipts into that treasury from the exhaustless resource of the public domain.

“ Taking this picture as the true practical construction and operation of the bill, Mr. W. said he would endeavor to impress upon the Senate its effect upon the general revenues of the country. From the table appended to the report of the Committee upon Public Lands, marked No. 1, it would be seen that the receipts into the treasury from the sales of public lands, from the commencement of the year 1833 to the 30th September, 1835, had been as follows :

| | |
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| “ ‘ In the year 1833..... | \$3,967,681 55 |
| “ ‘ In the year 1834..... | 4,857,600 69 |
| “ ‘ In the year 1835, to the 30th September..... | 9,166,590 89 |
| <hr/> | |
| “ ‘ Making a total of receipts during the period referred to of..... | <u><u>\$17,991,873 13</u></u> |

“ If the construction given to the bill by its friends be correct, this sum is to be distributed immediately upon its passage. Compare this amount with the whole ‘ net proceeds ’ of the public lands in the treasury on the day when this account of receipts closes.

“The receipts upon which the bill is intended to act, are
as above stated..... \$17,991,873 18

“The whole “net proceeds” of the public lands in the
treasury, by a comparison of receipts and payments
for account of the lands, from the commencement of
the government to the 30th September last, believed
to be more favorable to the lands than the truth will
warrant, are only..... 851,524 41

“ Thus showing that the practical operation of the bill will
be to distribute to the States, of the money in the trea-
sury on the 30th September last, over and above the
whole net proceeds of the public lands then in the
treasury, a sum equal to..... \$17,640,848 72’

“But it may be objected that this statement of the ‘net pro-
ceeds’ of the public lands is erroneous, and that the sum above
specified is not the true ‘net proceeds’ in the treasury on the day
referred to. Mr. W. said it was his anxious desire to avoid all
questions as to facts, that the results and consequences he desired
to present might have their full force. He would, therefore, pre-
sent the same result, taking the amount of net proceeds of the
public lands, upon the day given, from the most favored calcula-
tion toward the lands which could be made from any of the data
furnished by the Committee on Public Lands.

“ The receipts for the period covered by the bill, up to
the 30th September, 1835, as above given, were..... \$17,991,873 18

“ The net proceeds of the public lands in the treasury on
the same day, by the calculation most favorable to
the lands, were..... 3,970,717 84

“ This will leave a balance of revenue to be distributed,
by the practical operation of the bill, not a part of
the “net proceeds” of the public lands, but derived
from other sources, equal to..... \$14,021,155 29’

“From this examination of the provisions of the bill and of
its practical operation, Mr. W. said he could not doubt that he
had established the proposition with which he had set out, viz.,
that the bill, should it become a law, would have the effect, not
to distribute the ‘net proceeds’ of the public lands in the treasury
alone, but also large amounts of the public revenues derived

from other sources. The only question seemed to be whether the bill would take from the treasury, of the revenues deposited there prior to the 30th of September, 1835, \$17,000,000 or \$14,000,000 not derived from the sale of public lands, but from the other revenues of the country; and he could not see that the principle involved would be varied, whether the one amount or the other should prove to be the true sum thus subtracted.

“So much for the retrospective action of the bill. The prospective action would now demand consideration. The calculations which have preceded, have only brought the account up to the 30th of September, 1835. The bill, upon its face, carries its action six and a quarter years beyond that time, to the close of the year 1841.* If the construction given by the friends of the bill to its retrospective action, is to be the construction which is to govern its prospective action also, then the expenses justly chargeable upon the lands, with very unimportant exceptions, are, for the six years to come, to be charged upon the other revenues of the government, while the proceeds of the lands are to be distributed to the States, as they come in to the public treasury. In other words, the ‘net proceeds’ of the public lands for each year, after paying the expenses justly and properly chargeable to them from the gross proceeds, are to be distributed, and a further sum, equal to those expenses, † derived from customs, or other sources separate from the land, is also to be distributed in the same manner, and by the same ratio.

“Is not this, Mr. W. said he would ask, the fair operation of this bill, which purports to divide among the States the net proceeds of the public lands? What difference can there be whether the whole proceeds of the public lands, which reach the treasury,

* “The bill was introduced by Mr. Clay to extend from the 1st January, 1833, to the 31st December, 1837. The Committee on Public Lands reported an amendment to extend it to the 31st of December, 1841. This amendment of the committee was adopted by the Senate in Committee of the Whole, and was a part of the bill when Mr. WRIGHT made his speech. Subsequently the amendment was negatived by the Senate, and the bill restored, in this respect, to its original form.”

† “The bill originally used the general terms, ‘net proceeds of the public lands,’ but since Mr. WRIGHT’s remarks were made, has been so amended,

are distributed as the bill proposes, and the expenses of the lands, of their purchase, of obtaining possession of them, and placing them in a condition to be sold, be made a permanent charge upon the treasury, that the whole avails of the sales may be distributed; or whether those expenses, necessary and indispensable to acquire the ownership of the lands, and to put them in a marketable condition, be paid out of the proceeds of the lands, and a proportion of the other revenues, equal to those expenses, be taken for the distribution? It would be difficult for human ingenuity to point out a difference to the treasury, to the public interests of this government, to the States who are to receive the dividends; and, in his judgment, equally difficult to point out any difference in principle between this bill having this practical operation, and a bill upon its face proposing to make the same distribution of the surplus revenue generally.

“Mr. W. said it was not his purpose, upon this occasion, to discuss the constitutionality of this bill, or of any distribution of the revenues of this government to the respective States, but he had felt bound to make this suggestion for the consideration and reflection of all who expected to support this bill, and might have any scruples as to the power of Congress to make a distribution of the revenues generally, or of any other portions of our revenue than those derived from the public lands. He must believe he had shown that this bill, if it should become a law, and should receive the construction given to it by its friends here, would operate to distribute millions from the treasury which could not, by any exhibition of facts, or any form of reasoning, be made the ‘net proceeds of the public lands,’ but

as, in substance, to adopt the construction he here contemplates. It now provides that the net proceeds shall be ascertained by deducting from the gross proceeds the expenses of the General Land Office, of the registers’ and receivers’ offices, of surveys and of the five per cent payable to the new States; but propositions to deduct also the purchase-money paid to the Indians for the lands, annuities in lieu of purchase-money, the expense of treaties with the Indians for the purchase of the lands, and the expenses of the removal of the Indians from the lands, were expressly rejected by deliberate votes of the Senate.”

must be admitted to be the proceeds of revenues derived from other sources.

“He had not been able, from any documents before him, nor had time permitted him to obtain from the proper department the information necessary to determine what had been the net proceeds of the public lands for the years 1833, 1834 and 1835; but it was enough for the purpose of his argument to know, and to have shown, that until the year 1835, and until far into that year, the lands were, and in all former time had been, heavily in debt to the treasury, even without any claim for interest upon the advances made, beyond the sums of interest actually paid upon the stocks issued for the purchase of Louisiana and Florida. There was not, therefore, in the treasury, prior to the latter part of 1835, any such thing as ‘net proceeds’ arising from the sales of the public land; but a deficit of gross proceeds to meet the expenses which the treasury had incurred on account of the lands. To attempt, therefore, to take money from the treasury, which came into it from the lands before that period for the purpose of distribution, will be to attempt to take money which is not there, which had been expended before it came there; and if money be so taken, it will be money derived from other sources of revenue, and not ‘net proceeds of the sales of the public lands.’ It will be a distribution, not of the proceeds of the lands, but of the revenues of the treasury generally.

“Mr. W. said he proposed, in the second place, to attempt to show that if the proceeds of the sales of the public lands, for the years named were taken from the national treasury, and distributed to the States, that treasury, at the present rates of the revenues from the customs, could not meet the ordinary expenses of the government, and carry on any system of national defense more vigorous or expensive than that which had been pursued for the last twenty years.

“To come to a determination upon this point, he had examined with care, the expenses of the government for the last nineteen years, from 1817 to 1835, both inclusive; and for the sake of brevity, he had averaged the expenses of each four years for the first sixteen years of the series, giving the averages, including the payments towards the national debt, and also exclusive of

those payments. For the years 1833, 1834 and 1835, the expenses of each year are stated separately. The results, discarding minor fractions, are as follows :

| | Average including
payments on debt. | | Average exclusive
of paym'ts on debt | |
|---|--|-----------|---|-----------|
| For the years 1817 to 1820, inclusive | 30 4-5 | millions. | 15½ | millions. |
| For the years 1821 to 1824, inclusive | 21 | do. | 11½ | do. |
| For the years 1825 to 1828, inclusive | 23 9-10 | do. | 12½ | do. |
| For the years 1829 to 1832, inclusive | 28½ | do. | 14 | do. |
| Expenses for 1833 | 24½ | do. | 22½ | do. |
| Expenses for 1834 | 24½ | do. | 18½ | do. |
| Expenses for 1835 | no debt. | | 17½ | do |

“ From the above it will be seen that the average expenditures from 1817 to 1832, both inclusive, separate from any payments towards the national debt, were about \$13,500,000 per annum; that in 1833 they appear to have been increased more than \$8,000,000 beyond those of the preceding year, and \$9,000,000 beyond the average of the sixteen previous years.

“ Mr. W. said he held in his hand a comparative statement between the expenses of the years 1833 and 1834, prepared for the purpose of showing whence arose the great difference of \$4,000,000 between the expenditures, exclusive of payments upon the debt, in those two years. The analysis was long and tedious, and he had already wearied the patience of the Senate with too many figures and arithmetical calculations, to trouble them with this statement. He would merely remark that a very large portion of the expenses of the Indian war, known as the Black Hawk war, were paid in 1833; that the amount paid for pensions in 1833 exceeded the same payments in the following year by more than \$1,200,000, arising, as he presumed, from the fact that the pension law of 1832 would be likely to call heavily for payments in 1833, not only for the accruing pensions of the year, but for arrears back to the date prescribed in the act; that the expenses of Indian treaties were \$1,000,000 in 1833 more than in 1834; and that the indemnities from Denmark, amounting to \$600,000, passed through the treasury in 1833 and were paid to the claimants, and, therefore, appear to swell the expenses of the year to that extent, although the government had, at no time, any interest whatsoever in the money received and disbursed.

There are various other items of expenditure which varied, some the one way and some the other, in the comparison between the two years; but the four above named, and the large amount of duties refunded in 1833, \$600,000 beyond the amount in 1834, in consequence of the conflict of the various tariff acts, constitute the most prominent and important causes of the very great increase in the apparent expenses of the former year.

“The expenses for the years 1834 and 1835 had averaged about \$18,000,000, exclusive of any payments towards the national debt. This would be seen to be a diminution, from the expenses of 1833, of about \$4,000,000 and an increase of from \$3,000,000 to \$4,000,000 beyond the ordinary expenses of the years mentioned prior to 1833. He would not attempt to account for this increase, any further than to remark that appropriations by Congress had been, most palpably, becoming more liberal, if not extravagant, since the national debt was apparently rapidly approaching its final extinction, and the treasury remained full to a fault. It was not the private claims and private applications alone which met with an easy success unknown in former legislation, but public and permanent appropriations were increased and increasing. He would instance the munificent appropriations for this District, the late pension laws, the increase of the pay of the navy, and many similar laws of the last few years. These instances were, by no means, particularized as wrong in themselves, or censurable in our national legislation. No opinion upon the measures is called for, or intended to be expressed; but the laws are referred to as prominent instances of the character of our late acts, carrying with them, from necessity, a material increase of the ordinary annual expenses of the government. From causes of this character, our ordinary expenses for the last two years have averaged about \$18,000,000, and that, notwithstanding the fact that not one cent was appropriated to the fortifications for the last year. What, then, can be fairly assumed as the amount of our ordinary expenses for the future? Will any one believe that they can fall far short of the average of the two last years? Must they not vary, according to the peculiar exigencies of different years, from \$16,000,000 to \$18,000,000? Mr. W. said, his examinations had satisfied him

that they must, and that \$17,000,000 was as low an average as should be contemplated, especially when we were inquiring as to supplies for the common treasury. He believed a careful inspection of the expenses of past years, and of the several laws of a late date, making permanent appropriations, would bring the mind of each Senator to the same conclusion to which his had been brought by the investigations to which he had referred.

“Having thus settled, as far as that could be done by analogy and experience, the amount required for the ordinary expenses of the government, Mr. W. said it now became his duty to compare that amount with the revenue from customs, to enable the Senate to form a judgment upon the soundness or unsoundness of the proposition he had laid down. This he had done in the same manner in which he had examined and presented the expenditures, and for the same years, and he would give to the Senate, in as concise a form as possible, the results presented by the documents. To make the comparison more simple and perfect, and to give it less of the dry detail of figures, he had in this comparison, as in the statement of the expenses, grouped periods of four years for the first sixteen years of the examination, and would present separately each of the three last years. In this way the two statements might be compared with each other with convenience, and without possession of the mass of calculations which led to the results. The comparison follows :

| YEARS. | Average gross expenditures. | Average revenue from customs. | Deficit of customs to meet expenses. | Excess of customs over expenditures. |
|--------------------|-----------------------------|-------------------------------|--------------------------------------|--------------------------------------|
| For the years | Millions. | Millions. | Millions. | Millions. |
| 1817 to 1820 | 30 4-5 | 19% | 10% | |
| 1821 to 1824 | 21 | 16 8-10 | 4% | |
| 1825 to 1828 | 23 9-10 | 21% | 2% | |
| 1829 to 1832 | 28% | 24% | 4% | |
| 1833 | 24% | 29 | ... | 4% |
| 1834 | 24% | 16% | 8% | |
| 1835 | 17% | 19% | | 1% |

“The foregoing comparison, Mr. W. said, afforded the ground for several most useful inferences in relation to the former policy and practices of this government. Some of those inferences he must bring to the notice of the Senate and the country, as he thought they would be useful in all time to come.

“The first which he would draw was that, in the nineteen years last preceding the present, the revenue from customs had exceeded the expenses of the government in but two years, and those two were years when peculiar circumstances, occasioned either by our own legislation, or by the condition of our foreign relations, most satisfactorily accounted for the excesses of revenue from this source. The first was the year 1833, when the greatest excess appeared. The high tariff of 1828 ceased its operation on the third of March in that year, but the long credits allowed under that act necessarily extended the collections of the customs, which accrued under it, over the whole of that year. In the meantime, the tariff act of 1833, known as the compromise act, was passed, and commenced its operation on the same day on which the act of 1828 ceased to operate. This compromise act introduced the system of short credits and cash duties, now a part of our commercial policy. From this state of facts every one must see that, during the last three-quarters of the year 1833, double collections of the revenue from customs must be constantly making; first, the revenue upon the importations of 1832 and the first quarter of 1833, thrown into the three last quarters of 1833 by the long credits allowed under the tariff act of 1828; and secondly, the revenue upon the importations of 1833, so far as the cash duties and short credits prescribed by the compromise act made the duties upon those importations payable within that year. Hence it was that the revenue from customs in that single year exceeded \$29,000,000, and that without anything unusual or extraordinary to affect the course of trade, or give to the importation of dutiable goods an unnatural increase.

“Mr. W. said it ought further to be remarked that the great excess of the revenue from customs over the gross expenditures of this year, notwithstanding the causes he had mentioned which conspired so vastly to increase the collections of revenue from this source, was to be accounted for in the fact that the payments toward the public debt, during the year 1833, were very trifling in amount, and far less than in any one of the sixteen years which had preceded it. The excess, therefore, was a result not only necessary, but natural. Great accumulation from peculiar causes on the one side, and an almost entire failure to make pay-

ments upon our debt, from causes equally peculiar, but to which he would not allude, on the other, could not fail to produce an apparent excess of revenue. If, however, gentlemen would take the trouble to compare the receipts and payments, and the revenue from customs of this with the next succeeding year, they would require no further explanation of the excess from customs in 1833. The accounts of 1834 will show that heavy payments were made during that year upon the national debt; indeed, that the balance of that debt, with exceptions wholly unimportant, was entirely paid off and discharged; and that the revenue from customs fell down to less than \$16,250,000, and left a deficiency in the revenue from this source, to meet the expenses of the year, of more than \$8,250,000.

“The next year, and the only other one which presents an excess of the revenue from customs over the expenditures, is 1835. In reference to the small excess of this year of \$1,500,000, two considerations only need be suggested. The first is, that the peculiar state of our relations with France during the last year, and especially during the last quarter of that year, gave just alarm to the commercial men of the country that disturbances might grow out of those relations, and that interruptions might be experienced in our commercial relations, growing out of those disturbances. Hence they were induced, toward the close of that year, to increase their importations to an almost unexampled extent. This single consideration is believed to have swelled the amount of revenue from customs during the last year much beyond the whole amount of the excess which appears. The second consideration referred to is, that the ordinary appropriation bill for the fortifications of the country failed to pass the two Houses of Congress during our last session, and, therefore, the expenses of 1835 were diminished by the usual amount of appropriations for those objects. Had that bill passed in the shape insisted upon by the House of Representatives, all know that the expenses of the year would have been increased much beyond the excess of the revenue from customs; and Mr. W. said he believed, had the bill passed as agreed to by the Senate, that excess would have been more than consumed by the expenditures it would have authorized.

"After these considerations, he could not believe that the excesses in the revenue from customs over the expenditures, for the years 1833 and 1835, would be relied upon anywhere, or by any one, as evidence that the revenues from that source were more than equal to our current expenses.

"The next inference he would draw from this comparison between the revenue from customs and the expenses of the government was, that Congress had not, as has been often and broadly alleged, imposed duties without regard to revenue, or to the wants and liabilities of the government. A very few suggestions, he thought, would make this position clear and indisputable.

"From the existence of the government until the year 1835 we had been in debt, and any amount of revenue, come from what source it might, after paying the ordinary appropriations, would be absorbed in payments upon that debt. Hence duties had been imposed beyond the calls growing out of the ordinary expenses of the government, and the surplus of revenue had been applied to the debt of the nation. As peculiar interests had, at certain periods, favored an increase of duties upon imports, the rates of duty may have gone, and at one period unquestionably did go, to an excessive height; but the revenues consequent upon this mistaken policy diminished the more rapidly the common debt, and thus hastened the time when high duties could find no favor, or even apology, with the people or with Congress.

"Mark the sequel. The national debt was diminished with a rapidity theretofore unprecedented, during the years 1829, 1830 and 1831, and it became apparent, not only to every statesman, but to the whole country, that the period of its final extinction was near at hand. What was the course of the national Legislature? Immediately to revise and reduce the tariff. The very protracted session of Congress of 1831-1832 is not more fresh in the recollection of all than is the fact that a readjustment of the rates of duty upon imports, and a consequent reduction of the revenue from customs, was the principal, if not the sole cause of the unusual length of that session. The result was the passage of the tariff act of 1832, to take effect on the 4th of March, 1833. Such, however, was the feeling of the country, that further legis-

lation, in the session of 1832-1833, was demanded of Congress, and the compromise act arrested and qualified the act of 1832, and provided for further and graduated reductions, under the distinct understanding that, upon the final payment of the national debt, the public revenues were to be reduced to the economical wants of the government. The reduction was made as rapidly as it was supposed the important interests connected with the subject would permit, while all expected that no very considerable accumulation in the treasury would be experienced under the operation of the law of 1833. It will hereafter be shown that these anticipations were entirely reasonable, and that their disappointment has proceeded from the unprecedented sales of the public lands within the few last years, and mostly within the last and the present year, and from no other cause of sufficient importance to deserve a notice in this view of the subject. These facts he held to be sufficient to show that the legislation of Congress, in regard to the revenue from customs, had been with peculiar reference to the wants of the public treasury, and had been intended to be measured by those wants.

“The remaining inference from the comparison referred to is, that the revenue from customs is not, as at present regulated, more than sufficient to meet the ordinary expenses of the government, and is not sufficient, unaided by the revenues from the public lands, to authorize any extraordinary appropriations for public defenses of any description, naval or military.

“The revenue from customs for the year 1834 has been shown to have been sixteen and a quarter millions, and that for 1835, nineteen and three-eighths millions, while the average expenditures of the government for the same two years, separate from any payments upon the national debt, are proved to have been more than \$18,000,000; and it is worthy of repetition that in the expenditures of 1835 is not included anything for the fortifications of the country, as the fortification bill of that year was lost between the two houses of Congress.

“It has further been attempted to be shown that the average annual expenditures of the government, separate from any extraordinary appropriations for the public defense, cannot for the future be estimated at a less sum than \$17,000,000. Compare,

then, the revenue from customs for the years 1834 and 1835, when the compromise bill fully regulated that revenue, with this estimate of expenditure, and see the result. The average of the revenue from that source for the two years is seventeen and four-fifth millions, while it is shown that that revenue for 1835, was increased by the apprehensions of a French war, from one to three millions. This will reduce the average of the two years, placing them upon the basis of ordinary and uninterrupted commercial intercourse, below the estimate for the ordinary expenses of the government.

“Connect with this view another important consideration growing out of the compromise act, which is, that at the commencement of the present year, a reduction in the rates of duty of ten per cent upon the existing rates, took effect; which, by the lowest estimates, will reduce the revenue from customs a full million. Take, then, the year of excessive importations of 1835 as the rule, and the revenue from customs will exceed the amount estimated as required for the ordinary expenses of the government by a sum too small to be made the dependence for any extraordinary appropriations. This inference, then, is fully sustained; and the revenue from customs at the present time is shown to be no more than equal to the ordinary expenses of the government.

“But the bill under consideration is perspective, and reaches forward in its action to the close of the year 1841. During this period, its construction, as given by its friends, charges the whole expenses of the land system upon the treasury. It becomes important, therefore, to inquire what those expenses are, and probably may be. The mere expenses of the present system of sales will be omitted, and those of a more material character examined. What, then, are those expenses annually? The amount of money proposed to be appropriated by the bill making the regular annual Indian appropriations for the present year, is \$573,000, and the appropriations provided for in it, as will be seen by an examination of the bill, are in their character permanent, for a longer period than the prospective operation of this bill. The principal items are the payment of annuities, the support of farmers and mechanics, and other provisions stipulated

by existing treaties to be made for the various Indian tribes. Nothing is included in this appropriation bill for the expenses of additional Indian treaties, for the removal of Indians, or for any other new expenditure under the head of the Indian department.

“The expenses, therefore, of the purchase-money to be paid to the Indians for lands, of the annuities stipulated by future treaties, of the making of such treaties, of the removal of the Indians from the lands purchased under them, and of all other things incident to our Indian affairs, and to the perfection of title and possession to the lands in the government, remain to be provided for from revenues other than those derived from the lands on account of which the expenses are incurred. Our present policy is to expedite, to the utmost extent of our power, the extinction of the Indian title to all the lands east of the Mississippi, and the removal of the Indians west of that river. In pursuance of that policy, we are constantly making new purchases and new treaties, and the expenses of holding Indian treaties, and for the purchase-money of new lands, are constantly and rapidly increasing. The expenses of the removal of the Indians from the lands, and of their subsistence west of the Mississippi, are necessarily increasing in the same ratio, and if these accumulated expenses are to be cast upon the treasury, while the revenues from the sales of lands are to be subtracted from it, the consideration becomes one of serious import, whether the revenue from the customs, the only source of revenue remaining, when that from the lands shall be taken away, will sustain the treasury against these accumulated calls, and how far this source of revenue will bear the reduction provided for by the compromise act, and still supply the treasury.

“It will not be forgotten that a reduction of ten per cent in the revenue from customs took effect, by the provisions of that act, on the first day of the present year; that a further similar reduction is to take place on the first day of January, 1838; that a still further reduction of ten per cent is to take place on the first day of January, in the year 1840; and that at the close of the year 1841, every rate of duty then above twenty per cent *ad valorem* is to be reduced to that rate, without regard to the amount of reduction. Mr. W. said he believed it was conceded

on all hands that this last reduction alone would diminish the revenue from customs full \$5,000,000 beyond the intermediate and graduated reduction periodically provided for in the bill.

“Mr. W. said he was aware he should be answered that, after the year 1841, the revenue from the lands was, by the provisions of the bill under discussion, to be restored to the treasury. This answer was specious and plausible; but was it efficient and solid? Look at the comparison which had been made between the revenue from customs and the expenses of the government, as both were shown to exist at the present time. The difference in favor of the revenue, if anything, was too trifling to be made matter of account, while nothing was allowed for extraordinary appropriations for the defense of the country. Allow, then, for the reduction of ten per cent in that revenue for the present and the next year, and it will not meet the ordinary expenses at their present rates. Carry on the calculation until you reach two further similar reductions, and where is the treasury to look for the means to answer the ordinary calls upon it? From whence are to be drawn the moneys to extend and complete our navy, to fortify our commercial towns, to defend our extensive coast, to garrison our Indian frontier, to arm our militia and to perfect our other works of national defense projected and proposed by the executive departments of the government? Could he be wrong in saying that the means for these expenditures would be wanting, and that these valuable and most essential national objects could not be accomplished, in case this bill should become a law, and this branch of the public revenue should be diverted from the legitimate uses of the public treasury?

“To illustrate and demonstrate more clearly the soundness of this position, Mr. W. said he would review, in the most condensed manner possible, the revenue derived to the treasury from the public lands, for the series of years covered by his former examinations, in reference to the expenses of the government, and the revenues from customs. The statement had been derived from the Treasury department, and was authentic.

“The following table shows the receipts of money received into the treasury, from the sales of public lands, during the years mentioned :

| | |
|------------|----------------------|
| 1817..... | \$1,991,226 00 |
| 1818..... | 2,606,364 00 |
| 1819... .. | 3,274,422 00 |
| 1820..... | 1,635,871 00 |
| 1821..... | 1,212,966 00 |
| 1822..... | 1,803,581 00 |
| 1823..... | 916,523 00 |
| 1824..... | 984,418 00 |
| 1825..... | 1,216,090 00 |
| 1826... .. | 1,893,785 00 |
| 1827..... | 1,495,845 00 |
| 1828..... | 1,018,308 00 |
| 1829..... | 1,517,175 00 |
| 1830..... | 2,329,856 00 |
| 1831..... | 3,210,815 00 |
| 1832..... | 2,623,381 00 |
| 1833..... | 3,067,682 00 |
| 1834... .. | 4,887,600 00 |
| 1835..... | <u>14,757,600 00</u> |

“A slight examination of this statement will show the fluctuations in the sales of the public lands. The period embraced by the statement commences as the country was emerging from the embarrassments and derangements in its pecuniary affairs, growing out of the then late war with Great Britain. In 1817, the receipts into the treasury were a trifle short of \$2,000,000; in 1818, more than \$2,500,000; and in 1819, more than \$3,000,000. From this time to the year 1829, a term of ten years, the receipts from this source did not, in any one year, exceed, by any considerable amount, \$1,500,000, and in two of the years fell short of \$1,000,000. In the year 1830 they rose to \$2,250,000; in 1831 to about \$3,250,000, and in 1832 fell back to about \$2,500,000. With the year 1833 commenced the great increase of sales which have caused the principal accumulation of money in the treasury at this moment. During that year the receipts into the treasury from the sales of lands were \$3,875,000, in 1834 \$4,800,000, and in 1835 \$14,750,000, almost \$10,000,000 beyond the receipts of any former year; a net increase, in a single year, more than twice as large as the whole receipts of the most extravagant year which had preceded it.

“Who, Mr. W. said he must ask, could expect a continuance

of sales at this rate for any length of time? Who were the purchasers who had paid these immense amounts for the public domain in a single year? Settlers, actual settlers? No, sir; speculators; men who have purchased to sell to settlers; men who, before the present year shall close, will come into the market in competition with this government, and take from it its customers. What lands, Mr. President, do these men purchase? Your very best and choicest lands. They purchase for speculation, and every consideration of inducement to the settler is fully regarded in their purchases — location, advantages of navigation, of water-power and of timber, are no less carefully secured than first qualities of soil. The government sells lands for cash in advance only, and these purchasers will sell upon credit. How long will it be, with these advantages, before they will draw the emigration from the land offices of the government to theirs, and take the market from us? Once taken away, it is impossible that we can recover it until these lands, purchased upon speculation, are fully settled, as we cannot hope to induce settlers to purchase inferior lands and pay the money in advance, while superior lands are offered to them upon credit. What, then, are we to expect from our revenue from the public lands, as soon as the present fever for speculation in them shall subside? Can we hope that those revenues, postponed until the year 1841, will compensate for the then reduced rates of the revenues from customs, and thus afford to the public treasury the means to meet the ordinary and extraordinary calls upon it? Mr. W. said, it seemed to him most clear, that if the revenues from the public lands were diverted from the treasury for the period proposed by the bill, and the revenues from customs were reduced, as by the operation of the existing laws they must be reduced, both sources together would not, after the expiration of the year 1841, be equal to the wants of the public treasury.

“That our country was rapidly increasing in population and extent, and consequently and proportionably in its ordinary expenditures, must be apparent to all; and that, with a fixed tariff, the revenue from customs might be expected to increase with the increase of expenses, would be equally apparent; but, when our rates of duty upon imports were diminishing at a rate

per cent greater than the increase of our population and business, the dependence for means to supply the treasury upon that source of revenue must be destroyed, unless the revenues from it could now be shown very far to exceed the present wants of that treasury. This had not only not been shown, but he trusted the comparisons he had made between the revenues from customs and the expenses of the government, for the last nineteen years, and more especially for the last two years, had clearly shown the reverse, and had proved to the satisfaction of the Senate that the present revenues from the customs were no more than equal to the ordinary expenses of the government, without any extraordinary appropriations for any purposes whatsoever. Mr. W. said he felt bound to notice, in this place, that the revenues from the lands were, in this sense, a much more calculable dependence for the treasury than those from the customs. The receipts and expenditures from the former, the value of the lands being fixed by law, might be safely assumed to be regulated and graduated by the increase of population and business of the country, while the rates of duty which were to graduate the latter were periodically undergoing so rapid a reduction, and the free articles were increasing so vastly upon the dutiable articles in our importations, that very little certainty could be anticipated in calculations of the amount of revenue to be derived from the latter source. He would give the Senate the amount of free articles imported for the last four years, to show the immense changes which the present revenue laws had produced in our trade in reference to the revenues from customs:

| | |
|---|-------------------|
| “ In the year 1832, the importation of articles free of duty
amounted to | \$14,249,453 |
| “ In the year 1833, the importation of articles free of duty
amounted to | 32,447,950 |
| “ In the year 1834, the importation of articles free of duty
amounted to | 68,393,180 |
| “ In the year 1835, the importation of articles free of duty
amounted to | <u>77,443,236</u> |

“ From this comparison it is seen that this description of importations has almost doubled, in each successive year, since the passage of the tariff act of 1832; and that, during the two

last years, the value of the importations free of duty has been more than four times the value of the same articles imported in the two preceding years, and has come to exceed the whole value of dutiable importations.

“Take away, then, from the public treasury, the revenues received into it from the public lands, and, Mr. W. asked, who could tell how soon it would want means to meet the demands upon it? He called upon gentlemen, and especially upon the parties to the compromise act, to give their careful attention to this part of the argument. If revenue should be wanted, did those gentlemen doubt what course would be taken by Congress to raise it? Did they doubt that resort would be instantly made to an increase of the rates of duty upon imports? Was any one wild enough to suppose that a direct tax would be resorted to to supply the deficiency in the revenues, or that loans would be made upon the credit of the government, and a new national debt be created for this purpose? He was sure no one who heard him could anticipate either of the last-mentioned modes of supplying the treasury; and an increase of the indirect taxation, by an increase of the customs, was the only remaining measure within the power of Congress. He must further caution gentlemen to remember that this was a mode of raising revenue not likely to be unpopular with a very large section, if not an entire majority, of the Union. He made this reference to peculiar local interests, not with pleasure, but with deep reluctance, and he could not be induced to do it from any other than a most lively conviction that the measure before the Senate was eminently calculated again, and that speedily, to revive agitations which had so recently shaken the country to an extent unknown to its former history, and had more strongly threatened the integrity and perpetuity of the Union than any other questions which had ever before occupied the attention of Congress. He must, therefore, again assure the friends of this bill that its passage, and the subtraction of this portion of the public revenues from the national treasury, would bring that treasury to want; and that, in that event, its wants would be supplied by an increase of the duties upon imports, an increased tariff.

“To give greater force to this part of the argument he would

take another view of the probable revenue from customs in the year 1842, after the reductions provided for in the compromise act shall have been fully made. The importations of goods paying duties for the last four years have been as follows:

| | |
|--|-------------------|
| “ In the year 1832, the value of dutiable goods imported | |
| was | \$68,000,000 |
| “ In the year 1833, the value of dutiable goods imported | |
| was | 63,000,000 |
| “ In the year 1834, the value of dutiable goods imported | |
| was | 47,000,000 |
| “ In the year 1835, the value of dutiable goods imported | |
| was | <u>66,000,000</u> |

“These importations form an average of about \$61,000,000 per annum. Suppose the increase of population and business by the year 1842 increases the amount of importations to \$70,000,000 of goods paying duties; all duties are then to be reduced to the standard of twenty per cent ad valorem, or under. This rate of duty upon \$70,000,000 would be \$14,000,000 of revenue, in case all duties were at the maximum rate of twenty per cent; but it must be borne in mind, that the duty upon a large class of articles is now only twelve and a half and fifteen per cent; and that, from that cause, the revenue to be derived from \$70,000,000 in value of dutiable importations in 1842, if the present laws continue in operation, cannot be estimated at more than about \$12,000,000. Compare this amount with the sum demanded for the ordinary expenses of the government, and who will believe that the revenue from customs, at the period in contemplation, even with the then reduced revenue from the public lands added to it, will be equal to those expenses? Who does not see, if the present surplus in the treasury be given away to the States, and the revenue from the lands be taken from the treasury for six years to come, that the tariff must be raised, if not before the year 1842, at least as soon as the vast reduction of the present tariff, required to be made at the close of 1841, by the provisions of the compromise act, shall take effect? If figures and experience can be relied upon, such a result must follow the passage of this bill. [Mr. WRIGHT here gave way for a motion to adjourn.]

“THURSDAY, *April* 21, 1836.

“Mr. WRIGHT said, when addressing the Senate yesterday, he had attempted to establish the propositions —

“1. That the whole amount of ‘net proceeds’ of the public lands in the treasury on the 30th of September, 1835, could not, by the most extended and liberal calculation, equal \$4,000,000, and was more truly but a trifle over \$350,000; while the operation of this bill would be to distribute as ‘net proceeds’ of the public lands almost \$18,000,000 of the money in the treasury on that day; thus, in fact, distributing from \$14,000,000 to \$17,000,000 of money not derived from lands, but from other sources of revenue.

“2. That the revenue from customs, as ascertained from a comparison between that revenue and the expenses of the government for the last nineteen years, and from an examination of the present revenue laws and their influence upon the revenue to be collected under them, will only be equal to the ordinary expenses of the government and cannot bear any extraordinary appropriations for any branch of the public defenses.

“3. That this branch of the public revenue (the only source of revenue remaining to the treasury, if that from the lands shall be taken from it) will fall far short of meeting the ordinary expenses of the government, before the close of the year 1841, at which time the revenues from the public lands are again to be restored to the public treasury, because it is only equal now to those expenses, and, by the existing laws, is to undergo a reduction at about the rate of five per cent per annum until 1840, and, at the close of the year 1841, an arbitrary reduction to twenty per cent ad valorem of all duties above that rate.

“4. That the restoration of the revenue from the public lands at that period will be wholly inadequate to supply the treasury, because the revenue from customs will be reduced to some \$12,000,000, or at most \$14,000,000, while the ordinary expenses will be about \$17,000,000; and because, from the sales of all the valuable lands, the revenues from that source will be greatly diminished, if not reduced to the simple expenses incurred on account of the lands.

“Mr. W. said, before proceeding with his argument further, he

would notice two positions of the Senator from New Jersey [Mr Southard], which had been presented by him in a new shape, as justifying two important provisions of this bill.

“ The first to which he alluded was the grant of 500,000 acres of land to certain of the new States, the avails of which were to be expended in projects of internal improvements; and the reason for the grant was said to be that those States had exempted the public lands from taxation. This argument, Mr. W. said, he had always supposed was fully answered by the articles of compact which had accompanied the admission of those States into the Union. The five per cent granted to the new States, out of the proceeds of the sales of lands within them respectively, he had always understood was the equivalent for this exemption of the public domain from State taxation, and that it had been so accepted by those States in the compacts referred to. If he was correct in this understanding, he could not see why this further grant of half a million of acres of land to each was to be made upon that consideration. But the Senator further urged that this grant was to be justified upon the principle that the improvements to be made by the State from the avails of the land would enhance the value of the remaining lands, owned by the government in each State, to an extent equal to the value of the 500,000 acres granted to make the improvements. This argument can avail little, unless the present minimum price of the public lands is to be raised. All the lands, after having been once offered at public sale, are subject to be taken by any purchaser at the price established by law of one dollar and a quarter per acre, and at that price they now sell with too great rapidity. Surely, then, it cannot be wise in Congress to make these immense grants with a view to enhance the value of the remaining lands, if it be designed to continue the sales at the present established price, because, however much the value of the lands may be increased by the operation, that value to the government is not changed. The money to be paid for the lands will be the same without as with the improvements. Is it intended to raise the minimum price of the public lands? He supposed not. He had heard no friend of the bill avow such an intention, and he felt confident he should not hear any such purpose avowed;

though he must say that many of the arguments in favor of the bill, as well as the one he was now considering, seemed to him to bear strongly in that direction.

“The second consideration to which he referred was the Senator’s defense of that provision of the bill which gives to each of the new States ten per cent of the proceeds of the sales within them respectively, over and above their full shares of the balance, according to the rate of distribution adopted by the bill, as applicable to all the States. This was justified upon the ground of the rapid increase of population in these States since the last census, upon which the general distribution was to be made. It was not his object, Mr. W. said, to attempt to show that this provision would give too much to the new States, but that the rule assumed was arbitrary and unequal. He knew that some of the new States were increasing in population with wonderful rapidity, and he also supposed that some of the old States might not have any greater, and perhaps not as great a population now as in 1830. These would form the extremes, while other States, both old and new, were increasing at a rate which would form the mean between them. It could not, then, be equal or just to take from all the old States equally, or to give to all the new equally, on account of the increase or diminution of population since the last census, as all must see that the same ratio of increase or diminution will not be applicable to any two States, new or old. If a standard of distribution, different from that of the census of 1830, is to be taken, that standard ought to have reference to the actual population of all the States. It was a fact, unquestionable in his opinion, that some of the States, denominated old States by the classification made in the bill, had added more to their federal numbers within the five years past than many of the new States, and yet ten per cent of the fund to be divided, and which is now the common property of all the States in precise proportion to their federal numbers, is to be taken from the former and given to the latter before a general distribution is made. It was not material to his purpose to attempt to show what States would lose or what ones would gain by this unequal and partial provision. It was enough to have shown that its application must and will be unequal, partial and

unjust, to establish the position that it cannot be a constitutional rule for the distribution of a common fund.

“Mr. W. said he would notice here what he considered the most extravagant anticipations of the honorable Senator [Mr. Southard] as to the probable avails to the public treasury from the public domain. He found he had misunderstood the Senator, and had supposed him even more extravagant in his anticipations than he really was; but he had been corrected, and still was compelled to think that the sum, in fact, assumed, gave much stronger evidence of a free indulgence of a lively imagination than of a familiarity with the facts upon which any conclusion should be founded. To test the correctness of his impressions he had resorted to facts, and proposed to lay them before the Senate almost without comment. The Senator had told us that the public lands were to bring into the national treasury \$1,250,000,000. How much of this is imagination, and how much reality? The sales of the public lands, as a system, commenced in the year 1796. Up to the 30th day of September, 1835, thirty-nine years and three-quarters, the whole sum paid into the treasury from the sales of the public lands is \$58,500,000. What has been sold to produce this sum, and what calculations as to the product of future sales, can be safely made from our past experience.

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| “ There has been paid into the treasury, as the avails of sales of the public lands in the State of Ohio, from the commencement of the land system to the thirtieth of September last. | \$16,780,177 |
| “ There remain to be sold in that State, subject to private entry, and not entered on the thirtieth September last, 4,310,366 acres, which, estimated at the minimum price, are worth | 5,387,958 |
| “ Making an aggregate value for the public lands in Ohio, of | <u><u>\$22,168,135</u></u> |

“This estimate must be sufficiently accurate for so general a calculation, inasmuch as the fact that lands in that populous State remaining subject to be taken at the minimum price of the government, and not taken, must go far to prove that their value in the market does not materially exceed that price.

“ Mr. W. said he would then make the State of Ohio, known to be one of the largest and most valuable in point of soil of the new States, the basis of a calculation of value for a portion of the public domain.

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| “ The value of Ohio, as has been seen above, is..... | \$22,168,135 |
| “ Assume that Indiana, Illinois, Missouri, Louisiana, Mississippi, Alabama, Michigan, Wisconsin, Arkansas and Florida are each to bring into the treasury, from the sales of the public lands, as much as is to be realized from those sales in the State of Ohio, and this will produce an aggregate of..... | 221,681,350 |
| “ And will present a total value for these seven new States and four large Territories, of | \$243,849,485 |
| “ Deduct, then, the amounts already received, as follows: | |
| “ From sales in Ohio | \$16,780,177 |
| “ From sales in Indiana..... | 9,510,481 |
| “ From sales in Illinois | 5,355,611 |
| “ From sales in Missouri..... | 3,886,224 |
| “ From sales in Louisiana..... | 999,087 |
| “ From sales in Mississippi..... | 6,837,770 |
| “ From sales in Alabama..... | 10,097,347 |
| “ From sales in Michigan, including Wisconsin | 3,959,896 |
| “ From sales in Arkansas..... | 636,642 |
| “ From sales in Florida..... | 556,283 |
| | 58,619,18 |
| “ And there will remain to come into the public treasury, from the entire sales of these seven States and four Territories, the sum of..... | 185,229,367 |
| “ The estimate of the Senator is | \$1,250,000,000 |
| “ Take from it what remains to be received from the sales yet to be made in the country mentioned..... | 185,229,367 |
| “ And there will remain a balance for the Senator to realize, from sources, Mr. W. said, to him unknown, of.. | \$1,064,770,033 |

“ So far, facts might furnish us with some guides in reference to these swollen anticipations; and, Mr. W. said, he was sure that no one, not even the most sanguine and enthusiastic, would doubt that the calculation he had made was much more favorable to the treasury than future experience would realize. He

did not himself believe that any single State or Territory he had named would bring into the treasury from the sales of lands an amount equal to the State of Ohio; but, however that might prove, all must know that no such amounts are to be expected from Louisiana or Florida, nor can any such amount be expected from the entire sales in Michigan. The estimate must be many millions beyond what can be reasonably anticipated; and yet that estimate, for the eleven large divisions of country, seven of which are now States, and the remaining four rapidly approaching that condition of political existence, falls short of one-fifth of the amount anticipated by the Senator to be brought into the treasury from the avails of the public domain. That he must have included in his flattering estimate the whole country guaranteed by this government to the Indian tribes west, and now daily moving west of the Mississippi, is most palpable; but that any reasonable estimate of that country, and of all the acres of the Rocky Mountains in addition, must have failed to produce his sum total, Mr. W. said, seemed to his mind equally palpable.

“He would now proceed with his argument as originally intended, and would examine the surplus in the treasury, with the view of showing that the estimates of the friends of this bill in regard to it were about as extravagant as those of the honorable Senator from New Jersey [Mr. Southard] in reference to the proceeds of the public lands. The calls upon the Treasury department for the balance of moneys in the treasury had been frequent, and he thought he might say, at least, monthly, since the commencement of the present session of Congress. The last had been received at too late a period to be yet printed and laid upon the tables of the Senators, and was a call for the balance as existing on the first day of the present month. The amount as given by the Secretary of the Treasury was, according to his best recollection, between \$31,000,000 and \$32,000,000; but, as he had not the report to refer to, he would assume it to be \$32,000,000.

“It should now be distinctly impressed upon the attention of the Senate and the country that this amount is not the *surplus* in the treasury, but the whole amount of money in the treasury for any purpose of the government. It should also be equally strongly impressed upon the minds of all, and most especially of

ourselves, that of all the appropriations of the year, which, at the ordinary rates, have been shown to amount to an average of from \$17,000,000 to \$18,000,000 annually, those for the pay of Congress, for the pensions, and partial appropriations for the Indian war in Florida, are all that have yet passed and become laws. How are we, then, to tell what portion of this amount of money is surplus, and what is required for the expenses of the government? Mr. W. said he knew but one mode of making even an estimate upon this point. Wishing, so far as it was possible, to deal with the facts in relation to this whole subject, he had resorted to that mode, and had examined, with considerable labor and care, the entire files of bills which had been reported to the two Houses of Congress by their respective standing committees; selecting from each file bills of a public character only, and ascertaining the sums the several committees had recommended for appropriation for the public service. To protect himself from any charge or suspicion of unfairness in this examination, he felt bound to give to the Senate, in substance, the title of each bill he had included in the statement, that all might judge whether he had mistaken the character of the appropriations he had called public. The list was as follows:

BILLS ON THE FILES OF THE HOUSE OF REPRESENTATIVES.

Bill No.

- 51. Appropriations for support of government.
- 53. Naval appropriation bill.
- 54. Ordinary fortification bill.
- 55. Army bill.
- 69. Expenses of Indian war in Florida.
- 70. Ordinary appropriation for the Indian department.
- 97. Clerks in the office of the Quartermaster-General.
- 100. The erection of a marine hospital at Baltimore.
- 101. The erection of a marine hospital at Portland, Maine.
- 105. Clerks in the Engineer department.
- 142. Erection of custom-houses at Gloucester and Plymouth.
- 143. Arrears of pay to the Inspector-General.
- 154. To improve the harbor at St. Louis, Missouri.
- 174. To continue the Cumberland road from Vandalia to the Mississippi river.
- 175. To continue the Cumberland road from the Mississippi river to Jefferson City.

Bill No.

192. To erect a marine hospital at Wilmington, Delaware.
201. To purchase sites and commence new fortifications.
203. For the navy-yard at Charleston, S. C.
215. Expenses of the Indian war in Florida, second bill.
216. Civil and diplomatic expenses for 1836.
217. Outfit to Charge d'Affaires at Prussia.
225. Prize-money to the captors of the frigate Philadelphia.
234. Compensation to Commodore Barron for use of patent.
254. Erection of new treasury building.
259. Annual appropriations for the military academy.
268. Salary of the judge of the Orphans' Court, Washington.
272. Arrears of pay to Gen. Macomb.
273. Compensation for Indian depredations.
279. To pay the Connecticut militia in service during the late war.
307. Appropriations for harbors already commenced.
331. Compensation to the heirs of Marshal Rochambeau.
333. For making and improving roads.
336. For repairing and improving the public buildings and grounds in Washington.
339. For the care and preservation of the Potomac bridge.
348. To refund certain duties on a Belgian vessel.
352. To make good the depreciations to the Rhode Island brigade of the Revolutionary army.
363. For the erection of light-houses, light-boats, beacons and buoys, and for the survey of certain rivers and harbors.
374. To construct an arsenal in the State of North Carolina.
376. For the purchase of Bell's patent for elevating and pointing cannon.
375. For the erection of an armory on the western waters.
377. For the purchase of Hall's patent for rifles.
406. For the better protection of the western frontier.
415. To remove a bar at the mouth of the Mississippi river.
418. To remove a bar at the entrance of Pensacola bay, and for constructing a hydraulic dock or inclined plane at that place.
427. Further appropriation for the Indian war in Florida, third bill.
431. To construct a road from Milwaukie to the Mississippi river.
432. To improve the mail road from Louisville to St. Louis.
446. To erect a marine hospital at New Orleans.
454. To provide for additional clerks in the departments.
457. For the better defense of the Arkansas frontier.
483. To construct a road from Helena to Jackson, in Arkansas.
485. To improve the navigation of certain rivers.
492. To try experiments as to Brown's fire-ship.
518. To erect a marine hospital at Newport, Rhode Island.

Bill No.

523. To commence the improvement of harbors for which no appropriations have been heretofore made.
538. For repairs to the wharves and the erection of a new public store at Staten Island, New York.

BILLS ON THE FILES OF THE SENATE.

12. To improve the navigation of the Wabash river.
32. To increase the pay of the clerks in the Navy department.
54. To open roads in Arkansas.
63. To complete the road from Lime creek to the Chattahoochee.
81. For the support of the penitentiary at Washington.
82. To construct roads in Florida.
98. To purchase Boyd Reilly's patent for vapor bath.
112. For the relief of the cities of Washington, Alexandria and Georgetown.
131. Pay of Missouri militia in the Black Hawk war.
135. To pay the passage of Gen. Lafayette from France.
142. To erect a depot of arms on the western frontier of Missouri.
146. To complete improvements already commenced upon certain roads and rivers in Florida.
211. To construct certain roads in Arkansas.

" Mr. W. said the House bills above enumerated were fifty-six, and proposed to appropriate the gross sum of..... \$23,212 854

" The number of Senate bills brought into the statement was thirteen, which proposed to appropriate the gross sum of..... 2,456 785

" Since this statement had been prepared, the general navy appropriation bill, sent from the House, had been reported to the Senate by the Committee on Naval Affairs of this body, with recommendations of amendments, adding to the amount originally proposed by the committee of the House, to be appropriated by the bill, the sum of..... 1,845 407

" Thus showing an aggregate of appropriations of a public character, recommended by the proper standing committees of the two Houses of Congress, and, if made, to be taken from the moneys in the treasury, of..... \$27,515 416

" Mr. W. said he must so far explain these statements as to say that the file of the bills of the House was first examined, and the list of bills of a public character prepared; that, upon the subsequent examination of the Senate file, a very large number of similar bills for the same objects, and of the same purport and

amount, were found upon that file ; that all such duplicate bills had been rejected from the statement, which accounted for the very small number of bills embraced as Senate bills, and the very small comparative amount of appropriations recommended by the committee of the Senate. Had the bills upon that file been first examined, and the duplicates upon the House file been rejected, the apparent recommendations, with the exception of the ordinary annual appropriation bills, which always originate in the House, would have been substantially reversed. It had required much care to avoid embracing the same appropriation twice, in consequence of the duplicate reports in the respective Houses ; but as the examination had been made by himself personally, he spoke with great confidence when he said that no instance would be found in which this had been done, although a similarity of titles in one or two cases might lead to that suspicion.

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| “ Let us then, said Mr. W., state the account with the treasury, and see what surplus we have which is not called for by the wants of the federal government. He had, he said, assumed the amount of money in the treasury to be..... | \$32,000,000 |
| “ Deduct the appropriations before mentioned, some of which had, in fact, been made, and all of which had been distinctly recommended by the proper standing committees of one or both Houses of Congress | 27,515,046 |
| “ And there will remain in the treasury an apparent surplus of..... | <u>\$4,484,954</u> |

“ This would be the state of the treasury upon the supposition that the appropriations proposed by the bills which had been enumerated, and no other, should be made during the present session of Congress.

“ Mr. W. said he did not intend to be understood as expressing the opinion that all the bills he had enumerated would pass, and much less that no appropriations other than those contained in those bills would be made. The above was the result upon that supposition ; but while he did not expect that result would be exactly realized in that way, there were strong grounds for believing that a result not more favorable to the treasury, and to a surplus for distribution, ought to be produced, and would

be produced by the action of Congress during its present session. The grounds for this belief it would be his next duty to give to the Senate. The whole number of bills upon the House file when he made the examination was 554, of which the statement he had made embraced but fifty-six, leaving 498 of those bills not embraced in the estimate of appropriations. The whole number of bills upon the Senate file at the same time was 221, of which but thirteen were named, leaving 208 of those bills out of the estimate. Every member of the Senate would well know, what every other person who would take the trouble to examine the bills before the two Houses of Congress at any session might see, that more than ninety in one hundred of all those bills propose an appropriation of money to a greater or less extent. Here, then, were 775 bills, sixty-nine of which recommended the appropriation of more than \$27,500,000, and the appropriations covered by the remaining 706 were not estimated at all, but were known to be, at least nine-tenths of them, bills proposing to appropriate money, and in amounts varying from the very smallest sums to hundreds of thousands of dollars. Some of them, Mr. W. said, were entirely public in their character, but did not specify the sums they proposed to appropriate. Of these he would particularly refer to the following:

BILLS UPON THE FILE OF THE HOUSE OF REPRESENTATIVES.

Bill No.

104. For the increase of the engineer corps.

142. Proposes to erect custom-houses at forty different ports.

207. To put into active service all the vessels of war in ordinary and upon the stocks.

212. Proposes to extend the present pension laws to all who served for three months in the war of the Revolution, and to the widows of such deceased pensioners as were the wives of the pensioners at the time the service was performed.

297. Provides for the payment of the Connecticut militia who were in service during the late war, with interest upon their respective claims from the time of the service.

385. Directs the survey of certain roads, rivers, etc.

427. Extends to the widows and orphans of militia killed in service, dying in service or on their return home, or from wounds received while in service, the half-pay for five years allowed by the existing laws to regulars serving in the infantry.

Bill No.

- 459. To extend and repair the arsenal at Charleston, S. C.
- 469. Reorganizes the General Land Office, and extends the force employed in it.
- 474. To authorize a surveying district west of Lake Michigan.
- 542. To remit or refund the duties upon the goods burned at the late conflagration in New York.

BILLS UPON THE FILE OF THE SENATE.

- 88. Arrears of pay to Commodore Hull.
- 87. To establish a Surveyor-General's office for the State of Illinois.
- 52. To increase the corps of topographical engineers.
- 70. Payment to the heirs of General Eaton.
- 100. To pay the Vermont militia who served at Plattsburgh.
- 113. To purchase the stock of the Louisville and Portland canal.
- 185. To add three regiments to the army of the United States.
- 220. To provide moral and religious instruction for the army.

“Here, Mr. W. said, were nineteen of the 706 bills not included in the estimate, because they did not name the sums which would be required to carry them into operation; but the slightest examination of the titles only will satisfy every one that these nineteen bills alone, were they to become laws, would require more money from the public treasury than the whole balance above shown to remain, after deducting the amount proposed to be specifically appropriated by the sixty-nine bills before enumerated. He was aware it might be said that these bills would not become laws, and he did not pretend to assume that all of them would, although he believed several of them had passed the one or the other House of Congress during the present session. What he intended to say was, that they were bills of a public character, that their passage had been recommended by the appropriate committees of Congress, and that, to that extent, they were to be considered as calls which might probably be made upon the treasury, and which ought, at the least, to be considered before we come to the conclusion that we have millions of money, which is not called for by any wants of the government, and which we must give away to get rid of it.

“Mr. W. said, it would probably still be contended that so many of the bills to which he had referred would fail to pass and become laws, that, after a deduction of the amounts appro-

priated by all which would pass, there would remain a large amount of money in the treasury unappropriated. In reply to any such suggestions, he must call to the recollection of the Senate some other facts, directly and importantly affecting the moneys in the treasury. There is a constant heavy balance of outstanding appropriations, which form a direct lien upon that money. The amount of these appropriations, on the first of January last, was, according to his present recollection, not less than \$7,000,000, and probably at this moment cannot be less than \$5,000,000.

“The three bills which have already passed, making appropriations to defray the expenses of the Indian war in Florida, have, taken together, appropriated but \$1,620,000, while it is estimated that that war, if now terminated, will cost the treasury full \$5,000,000. Here, therefore, are at least \$3,500,000, which will be wanted, and must be had during the current year, no part of which is embraced in any of the bills which have been mentioned.

“After deducting all the bills upon the files of the two Houses which have been particularly named, eighty-eight in number, there will remain 687 bills, nearly all of which propose to appropriate money. Mr. W. said he would not attempt to estimate the amount ; but all would admit that many of those bills were to pass, and that the amount of money which would be appropriated by those which should become laws would be large.

“There was another very important item of probable appropriation which he was bound to notice in this place, but of which the rules of the Senate did not permit him, at present, to speak in so intelligible a manner as he could wish. He supposed, however, he might say he referred to certain Indian treaties now before this body, two of which, if confirmed by the Senate, as he believed they ought to be, and hoped they would be, would require payments from the treasury of at least \$7,000,000. The Senate would understand, from this reference, the particular subjects to which he alluded.

“It seemed to be conceded by all that the great work of national defense, in all its branches, ought to command the peculiar attention of Congress during its present session. In the

Public bills to which he had referred, very limited appropriations for any of these objects were proposed. In the bill proposing appropriations for the navy, nothing was embraced for an accelerated increase of our naval force, for the procuring of additional materials, the construction of additional ships of war, or the arming, equipping and putting into actual service those now partially completed, beyond the ordinary annual appropriations for those objects. One bill, proposing to appropriate about \$2,500,000 for new fortifications, was the principal, if not the only extraordinary appropriation included under that head. There were not included any appropriations for the erection of new arsenals, except in one single instance, or any appropriations for arms and ordnance beyond the ordinary appropriations for those objects.

“He must ask the friends of the bill to look at these facts, at the public wants developed in their exhibition, and to compare the condition of the treasury and its means, abundant as they choose to consider those means, with these public calls, and then to say how this bill is to be executed and the public wants answered.

“The balance in the treasury, at the close of the first quarter of the present year, at the very highest estimate from the proper department, was less than..... \$32,000,000

“We have, then, seen public appropriations recommended by the committees of Congress, amounting to more than..... 27,500,000

“Leaving a surplus at this time of less than..... \$4,500,000

“We then find nineteen public bills, which, if passed into laws, will require millions to carry them into execution; a regular amount of outstanding appropriations of from \$5,000,000 to \$7,000,000; the expenses of the Florida war, not yet provided for, amounting to at least \$3,500,000; the large number of 687 bills upon the files of the two Houses of Congress, not included in the above estimate of those bills, and almost all of them proposing appropriations of money; provisions for Indian treaties, requiring, at the least, \$7,000,000; the increased appropriations for the public defense, beyond the partial ones made in the bills enumerated. Take, then, the bill before the Senate, which

proposes to distribute the proceeds of the public lands from the commencement of the year 1833, onward. Those proceeds, received into the treasury up to the 30th of September, 1835, have been shown to be a very trifle short of \$18,000,000. It is now ascertained, by reports from the Treasury department, that the receipts into the treasury from the lands, for the last quarter of 1835 and the first quarter of the present year, will amount to full \$10,000,000. Pass this bill, then, and see the effect.

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| “ The money in the treasury, on the first of the present month, | |
| was about | \$32,000,000 |
| “ The money to be distributed under this bill, up to the same | |
| date, is about..... | 28,000,000 |
| “ Leaving on that day, in the treasury, to be applied to all the | |
| objects of appropriations which have been before examined, | |
| about | <u>\$4,000,000</u> |

“ Mr. W. said we should be told here that the revenues of the year were to be received, and would be applicable to, and sufficient for, these appropriations. How is the fact? The receipts for the first quarter of the year are included in the above balance of moneys in the treasury on the first day of the present month. The revenue from the public lands, if this bill passes, is to be reserved for distribution, and is not applicable to any other appropriations. The means of the treasury will then be the \$4,000,000 remaining in it as above shown, and the revenue from customs for the last three-quarters of the year. Suppose that revenue to equal the highest estimates of the friends of the bill, and to be \$5,000,000 per quarter, or \$15,000,000 for the last three-quarters of 1836, we shall then have \$19,000,000 for the service of the present year for all purposes, ordinary and extraordinary, a sum just about equal to or exceeding by \$1,000,000 only, the average ordinary expenses of the government for the last two years. With what rapidity can the public defenses be prosecuted with a fund of \$1,000,000 per annum?

“ Mr. W. said it would be asked, what shall be done with the large amount of money in the deposit banks, if this bill be not passed and that money distributed to the States? For himself, he was ready to answer, he would appropriate for the wants of

the government, and especially for the public defenses of every description, and in every quarter, all that can be economically and profitably expended, and the balance, whatever it may be, he would invest in securities, the payment of which, with interest, is guaranteed by some one of the States. In that way he would preserve whatever surplus revenue there may be for the present, and would not give it away until time had been allowed to complete the permanent defenses of the nation, and to see, from the practical operation of our present revenue laws, whether any surplus would remain after these heavy expenditures shall have been incurred.


“Mr. W. said a very brief notice of two other suggestions should relieve the Senate from his very tedious remarks.

“The first suggestion to which he referred was the probable effect upon the States of this Union, of dividing to them the revenues of the national treasury, from whatever source the revenue to be divided may have been derived. Our system is complex, and a full and independent preservation of all its parts is indispensable to its healthful action. The federal government is but the agent, the organ of the States—is constituted by them, and, without their concurrence, countenance and support, cannot exist. Still it is, for some purposes, superior to the governments of the States, and within its sphere, its action, if coming in collision with the action of the State governments, is to prevail. How important then that it should be the constant care and interest of the respective States to keep this government most strictly within the sphere marked out and prescribed by the Constitution of the Union. And what will more strongly tend to change the feelings of the States, to put to sleep their watchfulness and care and jealousy of the powers of this government, than to accustom them to depend upon its treasury, or its taxing power, for the means of their support, of their internal improvements, of their general education and the like? He did not intend to express distrust of the patriotism of the States; he certainly did not feel any such distrust; but is there not danger—great danger—in this blending of government interests between the nation and the States? Is there not danger that such a disposition of the national treasure

may make taxation popular? We must not forget that we are the representatives of the States; that their will is, or should be, the law for our government in our seats here. May not the distribution of millions from the national treasury excite expectations of future bounty, which will induce the States to undertake works of internal improvement requiring years for their completion, and means far beyond those now in our treasury to meet the expenditures? May not the anticipations thus excited of future dividends be disappointed, and the necessity be thus produced of raising additional revenues for the uses of the States, either by themselves or by us? In such a state of things where would taxation be likely to fall? Would the Legislatures of the States impose direct taxes upon their immediate constituents, or would they, much more probably, instruct their agents and representatives here to raise, by the indirect taxation within the power of this government, the revenues the States require? May not a condition of things of this description render taxation here popular at home, and thus convert this government into a mere power to raise revenue for the expenditure of the State governments, until either the independence of the State governments is merged in their dependence upon the federal government for money, or until the unequal action of such a system shall break our bond of union, and thus destroy the power which oppresses one portion for the benefit of another portion of its common citizens, possessing a common right to its protecting care?

“May there not be danger, also, that the institutions of this government will be suffered to languish; that the proper appropriations for their support will be withheld; that the army will be neglected; the navy destroyed; the fortifications discontinued; and even the civil and judicial departments be insufficiently sustained; that the fund to be distributed may be enlarged?

“Mr. W. said he must say he felt great danger in this view of the action of this bill. His apprehension arose from no ungenerous distrust of the patriotism of the States, but from a full and perfect knowledge that our local interests, in the different sections of the Union, conflict with each other, and that no system of taxation which can or will be adopted, for purposes such as he had indicated, will act equally upon all the States.



“The other suggestion, Mr. W. said, which he proposed to make, was in relation to that provision of the bill which declares that the distribution under it to the States shall cease, in case the country shall be involved in a foreign war. It is worthy of remark, preliminarily, that this provision excluded those wars to which we were more peculiarly and constantly exposed,—the wars with the Indians within the limits of the States and upon our borders. Whatever may be the expenses of those wars in future, the distribution provided for is to continue, and the expenses of such wars are to be charged upon revenues to be derived from sources other than the public lands. What would be the effect of this provision upon the States, in case just cause of war with a foreign power should arise? Would it be the expression of an unjust suspicion of their patriotism to say that they would find in the action of this bill a direct temptation to resist any such war? It was most apparent that war must, at all times, embarrass the commerce and business of the people of the States; and if, in addition to these objections to a state of war, their dividends from the national treasury, rendered more necessary in time of war, were to be suspended by the occurrence of war, was it wrong to suppose that this principle of distribution, accompanied by such a condition, might induce them to resist a declaration of war, even at the hazard of the interest and the honor of the nation? Mr. W. said he feared the action of the bill in this respect, and, if the distribution must take place, he would prefer that this condition should not be retained, but that the whole subject should be left open for the future action of Congress, whenever any emergency shall arise calling for a change.”

On the 27th of April the bill was ordered to be engrossed for a third reading, by a vote of 25 to 21, and was sent to the House. After a spirited discussion in that body, on the 22d of June it was laid on the table by a vote of 104 ayes and 85 nays.

CHAPTER LVII.

THE BILL FOR PURCHASING SITES AND MATERIALS FOR FORTIFICATIONS.

On the 12th of January, 1836, Col. Richard M. Johnson reported, from the Military Committee of the House, a bill making appropriations to purchase sites and materials for the construction of fortifications. This was understood to be antagonistic to the whig policy of distribution of the proceeds of the sales of the public lands. This bill occasioned a discussion which called forth the best talent of both parties. The bill passed the House, and in the Senate was debated until the 26th of May, when it passed by a vote of yeas 31 to nays 9. On the 19th Mr. WRIGHT addressed the Senate, in favor of the bill, as follows :

“Mr. WRIGHT said, when the subject was last before the Senate he had moved an adjournment, with the intention, more particularly, of making a reply to some of the remarks of the Senator from South Carolina [Mr. Calhoun], who had then just addressed the body against the bill. So much time, however, had elapsed that the reply intended had been principally abandoned ; and, as he did not see that Senator in his seat, and understood he was absent upon official duty, he should only notice such of his observations as were material to the views he proposed to present upon the merits of the bill.

“On the eighteenth of February last, the Senate came to a final vote upon a resolution offered, at an early day of the session, by the honorable Senator from Missouri [Mr. Benton], upon the subject of appropriations for the public defense. All would recollect the declaration of the mover of the resolution, made at the time of its introduction, that he considered it as antagonistic to the two propositions then before the Senate for the

distribution, among the States, of the public moneys in the treasury; the first the land bill, and the second the proposition of the Senator from South Carolina [Mr. Calhoun] so to amend the Constitution of the United States as to authorize an entire distribution, for a series of years, of the surplus revenues, from whatever source derived. None could have forgotten the protracted debate upon that resolution, or the views entertained and expressed by those who took part in the debate. Upon the one side, the declarations of the honorable mover were sustained and enforced, and upon the other side the policy of a system of fortifications was resisted by some, while others admitted and advocated the policy and expediency of such a system but denied that the land bill was antagonistic to the proposed appropriations. The subject occupied the principal attention of the Senate for some four weeks, and a very slight modification only was adopted.

“The palpable and declared object of the resolution was to present to the Senate the great and vital question, whether the surplus revenues in the national treasury should be given away, as gratuities to the States, before the public defenses were provided for, or whether those defenses should first command the attention and favor of the national Legislature. The resolution, as drawn and offered, related to the surplus, and necessarily presented this question. The modification merely removed the application of the resolution from the surplus revenue to the whole revenues of the government, and made the pledge more broad than the mover of the original resolution had proposed. In its amended shape, it stood in the following words :

“ ‘ *Resolved*, That so much of the revenue of the United States, and the dividends of stock receivable from the Bank of the United States, as may be necessary for the purpose, ought to be set apart and applied to the general defense and permanent security of the country.’

“In this shape it was voted upon by the Senate; and, upon a call of the yeas and nays, every Senator then in his seat, to the number of forty-two, out of the forty-eight members of the body, recorded his name in favor of it.

“Mr. W. said he thought he had a right to ask whether this vote ought not to have been considered a pledge to the country, on the part of the Senate, that all necessary appropriations for

the public defense should be first made out of the public moneys in the treasury before any other disposition should be attempted to be made of those moneys? He thought the inquiry could not be considered impertinent or improper; and he called the attention of those Senators who had voted for that resolution to its fair implication, and to the measure now under discussion. This was the first measure for general public defense, which had been presented for the action of the body, since the passage of the resolution. Were the defenses it proposed necessary, so as to bring it within the pledge contained in the resolution?

“To answer this inquiry, it would be proper to look further into the resolution itself, and into the information it had elicited. In addition to the general pledge before quoted, it contained a call upon the President, and, through him, upon the proper departments of the government, as to the appropriations necessary and proper to be made for the various branches of the public defense, naval and military. An answer to that call, most full and satisfactory, had been given, and for his present purpose it was only necessary to refer to the clear and strong letter from the Secretary of War, to whose department that branch of the public defenses provided for by this bill particularly pertained. The Secretary speaks with especial reference to the bill under discussion, and therefore his remarks are susceptible of the most clear and unquestionable application. The bill was reported from the Committee on Military Affairs, recommending appropriations for the commencement of new fortifications at nineteen new points upon the sea-coast. The Secretary had adopted twelve, and, for the present, rejected the remaining seven appropriations. He had recommended delay and further examination merely as to the latter class; while he had, in the most clear and unequivocal language, urged action—prompt, full and efficient action—as to the former class.

“Mr. W. said, as attempts had been made to cast doubt and obscurity over the opinions of the Secretary in this matter, he should speak for himself. He would read from the nineteenth and twentieth pages of the report, and the language was as follows :

“‘It cannot be doubted but that fortifications at the following places, enumerated in this bill, will be necessary :

At Penobscot bay, for the protection of Bangor, etc.

At Kennebec river.

At Portland.

At Portsmouth.

At Salem.

At New Bedford.

At New London.

Upon Staten Island.

At Soller's Flats.

A redoubt on Federal Point.

For the Barancas.

For Fort St. Philip.

“‘These proposed works all command the approach to places sufficiently important to justify their construction under any circumstances that will probably exist. I think, therefore, that the public interest would be promoted by the passage of the necessary appropriations for them. As soon as these are made, such of the positions as may appear to require it can be examined, and the form and extent of the works adapted to the existing circumstances, if any change be desirable. The construction of those not needing examination can commence immediately, and that of the others as soon as the plans are determined upon. By this proceeding, therefore, a season may be saved in the operations.’

“Such, Mr. President (said Mr. W.), are the expressions and the opinions of the head of the department, upon which the call has been made, on this important subject of fortifications. Are those expressions and opinions equivocal? Has not the Secretary told us that he believed ‘the public interests would be promoted by the passage of the necessary appropriations for them?’ Has he not told us that, by making these appropriations now, ‘a season may be saved in the operations?’ Where, then, is the doubt? Where the equivocation? The bill originally contained provisions for nineteen new works. The Secretary selects and recommends, unequivocally, appropriations for twelve of the nineteen, and as unequivocally recommends a postponement of appropriations and further surveys and examinations as to the remaining seven. He meets fairly and fully the whole bill, and gives his opinions and his reasons as to every part of it. Whence, then, the pretense that his recommendations are obscure, and his opinions doubtful, as to the works still embraced in the bill?

The Committee on Military Affairs, since the receipt of the report of the Secretary, have considered his views, and made their bill conform to them. They have recommended that the appropriations for the seven works, for which the Secretary does not recommend immediate appropriations, should be stricken from the bill, and the Senate has unanimously agreed to the amendments. They have been made, and the bill is now precisely what the Secretary tells us the public interests require that it should be. Whence, then, Mr. W. said, he again asked, these attempts to prove that the opinion of the Secretary was doubtful as to the remaining twelve new fortifications? The answer was clear and conclusive, and he should only repeat what had been already said by the honorable Senator from South Carolina [Mr. Preston] when he gave it. Gentlemen had taken the expressions of the Secretary, applicable to the seven works for which he recommended the suspension of immediate appropriations, and had applied them to the twelve works in reference to which he had given the opinion that the public interests would be promoted by the passage of the necessary appropriations for them. Any one who would read with care the report of the Secretary would detect this error, and absolve that officer from all obscurity or equivocation.

“It should be further remembered that the President, upon whom the call was made, has especially and fully indorsed the recommendation of the Secretary of War. So far, therefore, as the information and opinions of the executive departments can establish a necessity for the works for which the bill under consideration provides, we are able to pronounce, without doubt or hesitation, that they are necessary to the public defense.

“What, then, Mr. W. said, he must ask, is the condition of the Senate in its action upon this bill, after the pledge given to the country in the resolution above quoted? Were we at liberty to refuse the appropriations, unless we disputed the necessity of the works? It seemed to him not. It seemed to him we were estopped by our own acts, unless we were prepared to assert and show, in opposition to the report of the Secretary, and the concurring opinion of the President, that the works proposed to be constructed are not necessary to the national defense, within the fair scope and meaning of our own resolution.

“He must, then, appeal to the Senate, and to every individual Senator, to know whether there is one member of that body who will deny, or even question, the necessity of one of the works now proposed by the bill. He did not believe he should hear a voice raised in doubt, much less in denial, of the necessity of each and every one of these works. How, then, was the Senate to refuse the appropriations, and preserve the pledge it had given to the country, that the public defenses were first to occupy its attention, and that provision for these defenses, so far as such provision might be necessary, was first to be made from the public moneys in the treasury, and the public revenues to be received into that treasury.

“Objections to the bill, however, had been made, and Mr. W. said he would detain the Senate for a few moments, to examine some of those objections.

“The first in order which he would notice was, that new discoveries in the art and science of defense might supersede the present propositions; that the power of steam and its application to the defenses of a nation were yet little known and had been little tried, and that future experience might prove that this power would furnish a preferable substitute for the permanent defenses proposed by the bill. In answer to this objection, he would merely ask, in sincerity and candor, whether a single member of the Senate had brought his mind to the belief that our important commercial towns, our principal and most useful harbors, and the mouths of our great navigable rivers, which were susceptible of perfect defense by permanent, stationary and durable fortifications, were to be left to any description of movable and floating defenses, whether moved and governed by steam or by the natural elements? Did any man, who had in the slightest degree examined this subject, delude himself with the notion that a commercial nation, with a coast more extended and exposed than any other nation of the world, and with the means in its treasury for the construction of permanent and secure defenses, was either to wait for new discoveries as to the power and application of steam, or to trust its wealth and commerce to the protection of floating batteries instead of well-constructed and immovable fortifications? For himself, Mr. W. said, his enthu-

siasm as to modern improvements had carried his mind to no such conclusions. He had not doubted, and did not now doubt, that steam, as connected with harbor defense, was to be made a most important agent in the great work in which we were engaged, and he was prepared to go as far as experience and wisdom would warrant in providing for its use; but he would not, for one moment, admit that the important points upon our coasts susceptible of permanent land defenses were to be left to the uncertain and doubtful protection of moving batteries of any description. He had not heard it advanced that the science of defense by fortifications was very imperfect, or that improvements were to be soon anticipated; and having come to the conclusion that these were the defenses which the country required, at the points named in the bill, and that the art of constructing them had been, in all essential particulars, as perfect for centuries as it now is, he was prepared to give his support to the bill, without waiting the uncertainty of valuable improvements by new discoveries.

“The next objection he proposed to notice was, that we want information as to some of these proposed works; that the necessary examinations, surveys and estimates have not been made, and that we act in the dark in making appropriations without them. This objection, Mr. W. said, he was willing to admit was specious and plausible; but as to these particular works he thought he should be able easily to show that it was much more specious than solid and substantial. He had understood from the remarks made by the chairman of the Committee on Military Affairs [Mr. Benton], when this bill was first under discussion, that all these points had been selected as points proper for the construction of permanent fortifications by the first board of engineers which ever examined our Atlantic coast with a view to its permanent defense; that several subsequent examinations, by competent and skillful engineers, had been made for the same purpose, and that all had selected these points as capable of being defended by the erection of forts and batteries, and as of sufficient importance, either as commercial towns, or safe and convenient harbors and roadsteads, to render such defenses necessary to the protection of our commerce and the security of the

country; and that conjectural plans and estimates of the works required had been repeatedly made at all the points. He now received the assent of that honorable Senator to the correctness of his understanding in these particulars, and was, therefore, not mistaken in assuming this as one ground for the immediate action of the Senate. But there was another and a stronger ground. A call had been made upon the War Department, upon this subject, and the answer, full, complete and apparently satisfactory to all, was before us. That department was in possession of all the information which had been collected as to the necessity and propriety of these works. No one would doubt the competency of the head of that department to form a safe and correct opinion upon the sufficiency of that information for the discreet action of Congress. What, then, does the Secretary say in reference to the fortifications provided for in this bill?

“ ‘It cannot be doubted but that fortifications at the following places, enumerated in this bill, will be necessary.

“ ‘I think, therefore, that the public interest would be promoted by the passage of the necessary appropriations for them. As soon as these are made, such of the positions as may appear to require it can be examined, and the form and extent of the works adapted to existing circumstances, if any change be desirable. The construction of those not needing examination can commence immediately, and that of the others as soon as the plans are determined upon. By this proceeding, therefore, a season may be saved in the operations.’

“ These are the opinions of the executive officer of the government especially charged with these works of defense, and fully aware of all the information in the possession of the government in relation to their necessity and propriety. Does he tell us we want more information before we can act? No, sir. He tells us it cannot be doubted that fortifications at the points mentioned will be necessary. Does he tell us that we want further examinations, surveys and estimates, before we can hazard an appropriation? No, sir. He tells us that when the appropriations have been made, such of the positions as may appear to require it can be examined, and the form and extent of the works adapted to existing circumstances, ‘if any change be desirable.’ Does he tell us that nothing is to be gained by making the appropriations now? No, sir. He tells us that, by this proceed-

ing, a season may be saved in the operations. So much, Mr. President, said Mr. W., for the objection that we have not information to authorize these appropriations.

"Another objection is, that we have not engineers to superintend these works; and that, unless the corps of engineers be increased, the appropriations, if made, must remain unexpended. Mr. W. said this was an objection to this class of appropriations which had been frequently advanced upon former occasions, and he had repeatedly attempted to answer it; in which attempt, he was sorry to say, he had been so unsuccessful that the same objection again met him here. He must repeat his former opinion, that the money of the government would command engineers of science, skill and experience; and that gentlemen were entirely mistaken in supposing that the corps of engineers, holding military commissions under the United States, monopolized all the science, experience or skill to be found in this widely extended country. But, for the sake of this argument, he would admit the necessity of an increase of the corps of engineers; and what would be the effect upon the duties of the Senate in relation to this bill? An act for the increase of that corps, to the extent recommended by the head of the corps, had long since passed this body, and been sent to the House of Representatives. We, therefore, had discharged our duty in this matter, and he was for continuing to discharge that duty in a manner consistent with our own action. It was not for the Senate to wait the passage of one of its bills through the other branch of Congress, before it would act upon another and more important public measure. Let us, said Mr. W., follow our own action, be consistent with ourselves, carry out our own measures, and leave the House of Representatives to their proper responsibilities. This objection has no foundation with us, because we have already obviated it by our legislative action, and it does not become us to assume that any other branch of the government will not discharge the same duty.

"A further objection to the passage of this bill is, that if the appropriations be made, the money cannot be expended. It is asserted that the ordinary appropriations for the fortifications already commenced will cost more money than it is in the power of

the officers of the government to expend, and that hence additional appropriations for new works cannot be expended. Mr. **W.** said he did not see that the conclusion followed from the premises. If it were true that money could not be expended at **one** point upon our extended coast, for the want of laborers, he **could** not see that it necessarily followed that laborers could not **be** procured at other points. The evidence upon which this **objection** rests is a report from the head of the engineer department, stating that some eighty or one hundred thousand dollars, **appropriated** for the construction of a fort at Throg's Neck, near **the** harbor of New York, was not expended during the last year, **because** laborers were not procured; that invitations to laborers **were** published and circulated in the city of New York, and in **several** of the eastern cities, without effect. The report, no **doubt**, states truly the facts, as far as it goes; but there are **other** facts required to enable us to form a correct judgment as **to** the inference authorized from this failure to procure laborers. **What** prices were offered? Were they equal to the current **prices** of similar labor in the cities where the invitations were **circulated**? Was the season of the year that when laborers are **usually** disengaged and at liberty to make contracts? Were **the** character and condition of the work such as the mass of **laborers** were competent to perform, and would be willing to **engage** in at ordinary wages? These and other inquiries should **be** answered before we are authorized to conclude that money **would** not command labor in the immediate vicinity of our great **commercial** metropolis.

“ Mr. W. said this objection had been repeatedly urged during **the** discussions of the present session, and he had himself repeatedly attempted to answer it, — he was mortified to see how unfortunately, as the objection continued to be urged with undiminished earnestness and confidence. He must, therefore, again **repeat** what seemed to him to be a most perfect and complete refutation of the idea that money will not command **labor** in and about New York, to any extent to which **money** is offered and paid. All will remember that since **we** have been here, during our present session, the city of **New** York has been visited by a conflagration unequalled in the

history of this continent. From five to seven hundred extensive buildings, in the very heart of the city, were laid in ashes in the course of a few hours. He had recently seen several intelligent merchants from that city, some of whom were among the sufferers by the fire. All agreed in assuring him that by the time he would probably pass the city on his way to his home, after the adjournment of Congress, he would almost want a guide to point out to him where the fire had extended; that new buildings were rising upon the ruins of those destroyed by the fire, with a rapidity wholly incredible; that it almost seemed that an entire city was rising from the earth, as by the power of magic; that the present month would entirely complete a large proportion of the new buildings. This, Mr. President, has been mostly done in the season of winter, and a winter, too, unequaled in severity and duration. And can it be true that at that point the United States cannot command labor by money? Can private enterprise accomplish so much in a few months, and yet the government not be able to spend a few thousand dollars upon works of defense, because labor cannot be procured for money? Sir, the conclusion is contradicted by facts, is contradicted by experience, is contradicted by the plainest dictates of sense and reason. The government must not expect to obtain labor but by paying the current prices for the labor it requires; and at those prices its money will go as far, be as sure to command labor, and to obtain it, as will the money of private citizens.

“But, Mr. President, said Mr. W., there is another view of this subject. What is the course of these expenditures? For what are expenses first to be incurred? The points at which the fortifications are to be erected are fixed in the bill; but you have acquired no title to the necessary grounds, and no jurisdiction from the States over those sites, when you have purchased them. Both of these steps must be taken before common prudence will warrant the commencement of the proposed erections. In all cases the purchase of the grounds must require an expenditure of money, and the grant of the necessary jurisdiction must require time for the action of the respective State Legislatures. It will not be supposed that the application will be made for the grant of jurisdiction until Congress place at the disposition of the

proper executive department the means to make the purchase of a site, in case the jurisdiction be obtained. Mr. W. said, to illustrate his meaning, he would speak of the proposed appropriation for his own State ; because he was more fully acquainted with the facts in that case than any other embraced in the bill. He referred to the appropriation of \$200,000 for the purchase of the site of Fort Tompkins and its dependencies, and for the erection thereon of fortifications to protect and defend the main entrance into the harbor of New York. This site is so plainly designated by the nature of the ground, and the formation of the harbor, that no person who ever passed the point can have failed to see and mark it. Indeed, the State, during the late war with Great Britain, and when the national treasury was destitute of means to prosecute the war, and much more to defend our coast, took **this** matter into its own hands, possessed itself of this site, and **erected** upon it three works of defense : Fort Tompkins upon the **heights**, to defend the outer works from approach by land ; Fort **Richmond** upon the water, to defend the Narrows ; and Fort **Hudson**, an extensive water-battery, to act in aid of Fort **Richmond**, and to reach an enemy in his approach to the Narrows **from** the outer harbor. These works still belong to the State, but **had** not been kept in repair since the war. The consequence was, **that** they had gone into a state of dilapidation, and he was **unable** to say what their value might now be to the government. **He** had understood that they cost the State some \$400,000. **He** knew that repeated overtures had been made by the State to this **government** to purchase them, with the site, and that the **Legislature** had repeatedly authorized negotiations for their sale and **transfer** to the United States. Nothing had hitherto been **effected**, and he had recently been informed that the Legislature **of** the State, now in session, had again authorized the sale and **transfer**. In this case this must be the first step, and the **payment** for the site the first item of expenditure. So far, therefore, **as** that may go, no objection would be interposed that the money, **if** appropriated, could not be expended ; nor would it be said that **time** was required, or information wanted, to accomplish these **objects**. He did not suppose that any other point was precisely **similarly** circumstanced ; but he did suppose that in all cases,

whether the sites were the property of the States, or of individuals, a title was to be secured to the United States and paid for out of the respective appropriations ; and that the proper jurisdiction, to protect the interests of the government, was to be obtained from the respective State Legislatures in the mode pointed out by the Constitution. Means, therefore, would be required, as well as time, in all cases ; and, so far as both were concerned, the application to the case of Staten Island would be measurably applicable to all the other cases embraced in the bill.

“ What were the next subjects of expenditure ? Mr. W. said it seemed to him that the materials for the construction of a fortification would next require the expenditure of money. The stone, brick, lime, sand, timber, iron, and all other materials, must be purchased and brought to the spot. Was there any objection to making the contracts and procuring the delivery of these materials during the time required to negotiate for the site, and procure the grant of jurisdiction ? He could see none. Would not these preparatory steps occupy time enough to allow all further necessary surveys and examinations to be made ? He was sure no one could doubt the fact ? What, then, was the strength of the objection that the money could not be expended, or that more time was required for surveys and examinations ?

“ But, Mr. W. said, there was another view of this objection of time, which seemed to him as absurd in practice as it must be fatal in principle to these works of public defense. He referred to that class of the opponents of this bill who urged the necessity of delay in making these appropriations, and at the same time pressed upon us measures for the gratuitous distribution among the States of the very moneys in the treasury with which these fortifications were to be constructed. The land bill, which had passed this body but a few days since, was one of these measures, and some gentlemen had been frank enough to put their opposition to this bill upon the ground that it might interfere with the moneys proposed to be distributed under the provisions of that act. Others, and much the largest number of the friends of that measure, had placed their opposition to this bill upon the ground of want of information of surveys, examinations and estimates ; and yet they had not failed to urge, with all the ardor of the

former class, the giving away to the States the very means by which alone these most important and confessedly necessary modes of public defense can be erected, when the information they seem to desire shall have been obtained. What is the value of such professions of friendship for the defenses of the country? What will be the use of the information sought when the means of proceeding with the works shall have been given away? For what valuable purpose shall we learn that the positions named in the bill are well selected, the fortifications wise and necessary, the plans economical, and the appropriations proposed only reasonable for present objects, when the treasury shall have been exhausted in bounties to the States, and we have not a dollar at command to be applied to new or additional defenses? Mr. W. said he must say that gentlemen who assumed this position subjected themselves most strongly to the suspicion that a division of the public moneys, and not the prosecution of works of defense, was their darling object. To the other class, who openly and frankly opposed the bill upon the ground that it conflicted with the schemes for a distribution of the public moneys, he must award greater fairness. They met what he considered to be the true question, openly and without disguise. He must, however, here bring to the memory of these opponents of the bill now under discussion some of the arguments used by those who opposed the passage of the land bill through the Senate. It was contended, Mr. W. said, by himself and others, that any system of distribution, such as was proposed by that bill, would tend to impede the necessary public appropriations, to arrest the prosecution of the necessary public defenses, and to embarrass the national government in all its departments, and in every branch of the public service. It was urged that such distribution would necessarily lead the States into measures involving heavy and long-continued expenditures; that the arguments, estimates and flattering calculations of the friends of that bill were eminently calculated to produce anticipations of future dividends which could not be realized; that the members of both Houses of Congress were the representatives of the States and of the people of the States, and must and ought to be strongly influenced by the wishes and interests of those whom they respectively

represented; that when disappointment as to the amounts to be divided should come upon the constituent body—as come that disappointment must—the necessities of the States, growing out of these delusive expectations, would be paramount to the necessities of this government with the representative bodies; and that appropriations for the permanent defenses of the country, appropriations for the navy, appropriations for the army, and appropriations for all other branches of the public service would be injuriously restricted or wholly refused, that the sum to be divided to the States, as surplus revenue, might be increased.

“Mr. W. said, when he urged these arguments, he did not even dream that he should see their correctness demonstrated before the close of the present session of Congress. He did not then believe that the evil tendencies of these plans for distribution would be so soon and so boldly developed. In this he had been entirely disappointed. Already we had met, in open avowal, the influence he had feared; and, upon this first measure of public defense which had been presented to the Senate since the passage of that dangerous bill, we had heard opposition distinctly avowed upon the ground that the appropriations might conflict with the various plans for a distribution of the moneys in the treasury. If he had before merely doubted, he should now be most perfectly confirmed in his hostility to these projects, so long as any branch of the public service called for the expenditure of the public moneys on hand.

“He would now, Mr. W. said, proceed to examine, very briefly, one or two of the objections offered by the honorable Senator from South Carolina [Mr. Calhoun] to the passage of the bill under discussion. The first objection of that honorable Senator which he proposed to notice was, the want of engineers to superintend the expenditures proposed; and he had anticipated the argument to be drawn from the action of the Senate, in the increase of the engineer corps to about twice its present strength, by the assumption that this increase would not bring engineers of experience, and would not therefore, at present, authorize an increase of appropriations.

“We are, Mr. President, said Mr. W., if the position assumed by the opponents of this bill be admitted, in a condition unknown

to the history of any people who have ever before existed upon the face of the earth. We have no debt. Our treasury is full to overflowing. We are defenseless in almost every respect. And yet we cannot be defended, according to the doctrines of some, because our money will not purchase the labor necessary to construct the defenses we need. According to others, we cannot be defended, because we have not engineers of skill and experience to direct the expenditure of the money, if we appropriate it. An increase of our engineer corps will not aid us in this particular, because such an increase will not bring with it the requisite skill and experience; and, as a necessary consequence from these conclusions, we must not increase the engineer corps, because, without an increase of appropriations for fortifications, we shall have nothing for the engineers to do, who may be added to the corps. Was ever, Mr. President, so helpless a condition of any people before known? Money in the treasury to an excess, but nobody will work for it; defenses of every description imperatively required, but men of skill and science cannot be found to superintend their construction. Therefore, we must give away the money, and wait for the defenses of the nation, until the treasury shall contain other means, until money will command labor, and until engineers can be educated to superintend the public works.

"The honorable Senator put forth another objection to this bill, which was even less anticipated from that quarter than was the objection which has just been examined. It was, that the bill is in competition with the several propositions for the distribution of the surplus revenue. Remembering the constitutional opinions held and expressed by that Senator but two years since, on the subject of a distribution of the surplus revenue among the States, Mr. W. said it was impossible that he could have expected opposition to this bill from that quarter upon that ground. In the Senator's speech upon the removal of the deposits, made in the Senate in January, 1834, are found the following remarks :

"There is another aspect, said Mr. C., in which this subject may be viewed. We all remember how early the question of the surplus revenue began to agitate the country. At a very early period, a Senator from New Jersey [Mr. Dickerson] presented his scheme for disposing of it, by distributing it among the States. The first message of the President recom-

mended a similar project, which was followed up by a movement on the part of the Legislature of New York, and I believe some of the other States. The public attention was aroused, the scheme scrutinized, its gross unconstitutionality and injustice, and its dangerous tendency of absorbing the power and existence of the States, were clearly perceived and denounced. The denunciation was too deep to be resisted, and the scheme was abandoned.'

"Such, Mr. W. said, were the opinions of the Senator upon the subject of a distribution of the surplus revenue to the States; and could he have expected from him an objection to the passage of a bill providing for the defenses of the country, for the more rapid prosecution of a system of defenses with which he had once been officially and closely connected, because it comes in competition with propositions for a distribution of the surplus moneys, so recently pronounced grossly unconstitutional, unjust and dangerous to the power and existence of the States? [Here Mr. Preston remarked that his colleague was not in his seat, but detained from it by official duties, and he hoped Mr. W. would consent to suspend his remarks until Mr. C. should be in. Mr. W. replied that he regretted very much the absence of the Senator from South Carolina, as he would greatly have preferred to have replied to him in his presence; but as he had no remarks of a personal character to make, he could not consent to delay the bill by a suspension of his argument.] Mr. W. proceeded: He had nothing to add on the subject of this great change of opinion on the part of the Senator, except that it had surprised and disappointed him, coming from that quarter.

"Another position of the Senator was not less singular and extraordinary, and called for a reply. It was the assertion that the bill was not intended to expedite the construction of fortifications, but to retain the public money in the banks where it was now deposited; and he went so far as to say that, were the objects of the bill what they purported to be—the erection of fortifications—he would support it. Mr. W. said, in the absence of that Senator, he would take no notice of this unjust and ungenerous imputation upon the motives of the friends of this bill, but would examine the position, supposing it had any foundation in fact. The bill upon its face contains as direct and positive appropriations as any other appropriation bill which has been

presented to congress. If passed, it will devolve upon the proper executive department the immediate duty of obtaining the proper sites and commencing the several works, and of proceeding in their construction with all possible dispatch, so far as the means appropriated will go. Has any one suggested, or will any one believe, that any sinister intentions, on the part of those who may vote for the bill, will influence the executive officers in the prompt and faithful discharge of their duties under it? Had the Senator from South Carolina suggested, or could he suggest, any change of the form of the bill, so as to make the appropriations more positive and unconditional, or the duty to expend the money more imperative and urgent? He hazarded nothing in giving a negative answer to these inquiries. Language could not improve the bill in these particulars; nor had it been intimated that there was either doubt or condition to be found upon its face. He would, then, leave the Senator, and the Senate, to determine how far he was sustained in placing his opposition to a proper and positive law upon the ground of his suspicion that some who support it entertain intentions unfavorable to its execution.

“He must present this objection of the Senator in another light, and see whether it may not be made quite as applicable to himself as to those who advocate and support the defense bills. His charge is, that they desire to retain the money in the deposit banks. What disposition does he propose to make of it? for he is the author of a variety of propositions upon the subject. The last, and that one on which he presumed the Senator intended to rely, was, to deposit the money in the treasuries of the several States, without interest. But when, and upon what terms, is the money to be transferred from the deposit banks to the several State treasuries? When, and as soon as, the Legislature of each State shall have passed a law, pledging the faith of the State for the repayment of the money upon the call of Congress. Nearly all those Legislatures have closed their annual sessions, and all probably will, before this proposition can become a law, if it is to become a law at all. Much the larger number of them do not again convene until November, December and January. The money, therefore, according to the disposition

proposed by the Senator himself, must remain in the deposit banks for the whole of the present year, at the least; while, in several of the States, the legislative sessions are biennial only; and, in one State at least, it is said its Constitution prohibits the the Legislature from contracting a debt for any purpose. Mr. W. said, were he to charge the honorable Senator with a design to continue the money in the deposit banks, and assert that he had made this dilatory proposition for a different disposition, to accomplish that design, would the Senator consider him courteous or just? Would the Senate consider the imputation of such motives to any member of the body parliamentary or proper? It was not his purpose to make any such charge. It was not his habit to impute motives to the members of this body for acts done under their official responsibility; and he did not believe that such a charge, if made against the honorable Senator, would be founded in fact. He did not believe the Senator, in making the proposition upon which he had commented, had been actuated by any design to retain the money in the deposit banks, but the reverse. Yet he did believe that such a design imputed to that Senator would have precisely as much foundation in justice and truth as the similar charge preferred by him against the friends of the defense bills; and he trusted he had shown that the effect of the Senator's proposition would be to retain the money in the banks much longer, and much more certainly, than any effect to be apprehended from the passage of these bills.

“Mr. W. said his intention and desire was to apply the money in the treasury to a constitutional use. The money is the avails of ‘taxes, duties, imposts and excises,’ laid and collected by, or under the authority and direction of, Congress, ‘to pay the debts, and provide for the common defense and general welfare of the United States.’ The first great constitutional use to which the public moneys were to be applied had been fully performed. The debts had been fully paid. The second, to ‘provide for the common defense,’ it is the object of this bill to prosecute more vigorously and efficiently. For that reason he supported it, and most earnestly hoped it would be successful. Yet it was not for him to impute improper or unworthy motives to those who thought the Constitution and the public interests would be better served

by giving away this money to the States, or what was, in his judgment, precisely equivalent, lending it to the States without interest, and upon a declaration upon their respective statute books that they would repay the principal whenever their representatives in the two Houses of Congress should order them to do so. He thought, however, so long as he abstained from the imputation of motives to those who advocated such a disposition of these moneys, he was entitled to an exemption from imputation as to his own motives, in urging a use of the money such as the honor and interests and safety of the country required and demanded, and such as the Constitution not only authorized but directed in terms."

CHAPTER LVIII.

VIEWS CONCERNING CERTAIN STATE LEGISLATION IN 1836.

Upon the expiration of the charter of the Bank of the United States, in 1836, the Legislature of Pennsylvania incorporated it as a State institution, with many peculiar and unusual powers and privileges, and, among others, authorizing it to engage in buying and selling stocks. This attracted the attention of thoughtful men and excited their alarm. The Legislature of New York chartered banks at the session of 1836, and with lavish prodigality lent its credit, with utter disregard to all fears of loss, and engaged in the construction of pauper canals, whose tolls have never paid for their repairs, attendance and other expenses. Observing and reflecting men anticipated and predicted the natural and inevitable consequences. New York promulgated excellent theories, which were counterbalanced by examples which would not bear the test of scrutiny. Mr. WRIGHT watched these with painful anxiety. To each surrounding circumstance he gave its full weight. The just tendency and natural influence of every act was considered, and communicated to his trusted friends without reserve. Thomas M. Burt, Esq., then connected with the Albany Argus as a proprietor, wrote him concerning the action of the State Legislature. He had long known Mr. Burt, and had unlimited confidence in his honesty of purpose and the purity and unselfishness of his motives, and unhesitatingly trusted his discretion and judgment. He thereupon wrote him, in the spirit of candor and frankness, the following letter, in which he expressed his anxieties and fears concerning the action of the Legislature, in

which he substantially predicted the paper-money explosion, which burst upon the country within the ensuing year :

“ WASHINGTON, *April* 8, 1836.

“ MY DEAR SIR.—Your note has remained a long time without an answer. The only excuse I can give you is my business engagements here. Indeed, I have never found myself so unaccountably engaged at any former session of Congress as during most of the present. You ask the opinion of our friends here as to the course of Pennsylvania in the November elections. I have seen no one who doubts that the violent and unprincipled and corrupt course of the Legislature of that State, during its late session, will strengthen very much the republican vote, at the polls and the republican cause among the people; and I have heard no doubt expressed as to the result of the electoral vote of the State. It is rumored, it is true, that the Legislature, at its adjourned session in May, threaten to district the State for the choice of electors, for the purpose of saving to the opposition such portion of the vote as may be saved to them in that way. This, however, would be an act of desperation which I cannot persuade myself even that bank-bought Legislature will dare to do. Should they make the attempt, there is great probability in my mind that such would be the revulsion produced upon the public feeling that they would lose many of the districts which are now theirs. Unless this is done I have no more doubt of the vote of that State than of our own, and that it will be given by a sweeping majority.

“ I see by the *Argus*, this morning, that the Genesee canal has passed the Assembly, and that the Black River has been ordered engrossed in the Senate, in addition to the \$3,000,000 Erie railroad appropriation pending in the Senate. What does all this mean? It seems to me that the wildness of the Pennsylvania fever (for I will not believe that the Pennsylvania corruptions prevail at Albany) has taken possession of our Legislature also. They seem to look at millions, as sober, discreet men look at dollars, and to be willing to embark the credit of our State when the Pennsylvanians only gave bank charters with power to gamble in stocks. Who that knows anything of the matter

believes that road will ever be made as a condition precedent to the obtaining the \$3,000,000 of State credit? Who does not know that this law, if passed, will only be used to raise that stock, and to lay the foundation for scenes in Wall street which will throw into the shade all former transactions of a stock-gambling character. And who does not see that when honest men have been cheated and ruined by the wire-workers in the stock market, they will come to the Legislature, show that the State was a direct party to the frauds, and demand, with a justice that would sustain a bill in equity, either that the State shall make the road or pay the \$3,000,000 it has promised. And who does not see farther, who has any acquaintance with legislation upon subjects of this character, that the irresistible course will be to saddle the road upon the State, and compel an expenditure of from ten to twenty millions to save the three millions now promised, when the work to be constructed will not, for a century to come, if ever, keep itself in repair after it is well made.

“Such, precisely, too, will be the character of the expenditures upon the Genesee and Black River canals, if made. The *State* will only have borrowed from four to six millions and expended it, to saddle it upon the treasury forever, and a treasury too which is now, and has been for years, living upon credit alone, two more paupers of a more expensive character than any pauper canals heretofore constructed and now constructing.

“I cannot be mistaken, when I see the startling votes in both Houses of our Legislature upon bills like these, as to the impelling power in the rear. Banks, new banks, and the enlargement of existing banks, must be that power. Are there not, then, eleven sound men in the Senate who will cut the gordian knot, and thus destroy the combination by which these monstrous projects are about to be forced upon the State? Are there not forty-two sound men in the Assembly who will come forward and do the same thing? Are we, at this crisis in the affairs of the country, to put ourselves by the side of Pennsylvania by lending the whole power of our State legislation to plunge our State in debt on the one hand, and to swell the false bubble of excessive credits and consequent excessive and unreal speculations on the other? I must say, I most deeply fear, if this Erie railroad bill shall pass,

the unjustifiable gambling it will produce may throw into the shade, if it does not in fact justify, Pennsylvania in her course, as having given life to a corporation of somewhat greater capital, to be sure, but much more real and substantial in its character.

“In connection with this subject I refer you, with the utmost gratification, to the high and patriotic example of the State of Ohio, and to the less clear but equally safe example of Virginia. I think the *Argus* should come out most distinctly with these worthy examples, and that every effort should be made by firm friends of the country, in and out of the Legislature, to concentrate their strength against a lobby which otherwise may deluge the State with banks and with debt, each being the corrupt consequence of the other.

“I have viewed the proceedings of our Legislature with the deepest interest on account of the State itself, and that interest has been greatly increased by the conviction that the eyes of the whole country are, at the present time, and from causes now not mentioned to you, turned upon our acts and our policy. The sincerity of our opposition to the Bank of the United States, and to the paper system, has been impeached by our opponents everywhere, and doubted by honest friends in many quarters of the country. Nothing but the soundness of our policy, when possessing the power of the State almost without a minority, can rebut these impeachments and dissipate these doubts. If, on the contrary, we fall into the snare which the bank has set for us by its unwise extensions and consequent promotion of the spirit of wild and dangerous speculation, we cannot expect to escape the catastrophe which must follow, nor can we expect the poor consolation of arresting our very motives from the broadest suspicion.

“I do hope you will urge these considerations upon our honest friends, and that they will pause before they take the fatal steps which seem to be threatened by the course of our Legislature.

“All men here are looking forward to a speedy and severe pressure upon the local banks, occasioned partly by the efforts making and to be made by Mr. Biddle & Co. to produce that state of things, and principally by the enormous extensions for speculations of every sort, and particularly in lands which cannot be converted into money to replace the capital thus

invested. I entertain strongly the same apprehensions, and I do hope that our friends and our banks will be aware of the evil and guard themselves in time; and I more strongly hope that our Legislature, by its action, will neither increase the evil nor hasten the catastrophe.

"I write in my seat and under an excited abolition debate, and cannot add more. Will you do me the favor to show this to Mr. Croswell, Mr. Flagg, Gen. Dix and the Governor, as I have letters from them all which ought to have been answered before this day, but which I cannot yet get time to answer. It will, at least, show them that I do not forget my duty to them, if I do not do it. Remember me most kindly to your family.

"Believe me, most truly yours,

"SILAS WRIGHT, JR.

"THOMAS M. BURT, Esq."

"SENATE CHAMBER,
"WASHINGTON, 6th June, 1836. }

"MY DEAR BROTHER AND SISTER. — Your letter of the twenty-ninth of May came to me this morning, and has confirmed, by the most melancholy result, our fears as to your young son. Our brother, S. D., by a letter under date of the twenty-fifth, informed us of his severe and dangerous illness, and we have watched every mail with the greatest anxiety to learn the result, striving, as poor short-sighted mortals in this world always do, to give ourselves hope. A single line from Luman, accidentally opened before your letter was reached, gave us the melancholy result, and your letter to Clarissa gave the more distressing particulars.

"What can I say to console you? I have never known the feelings of a parent, and cannot, therefore, from personal experience, speak either of your attachments or your loss. I have, however, I hope, experienced the feelings of a friend, and as such can sympathize with the afflictions of a friend. As such I hope you will not doubt that I feel, as deeply as I am capable of feeling, your loss and your affliction. The loss of a friend is severe, and tries strongly our feelings and our power of resignation to the Supreme Ruler. The loss of a child must, to a parent, be much more trying, much more severe, much more painful to the heart. The loss of an *only* child, of all which

calls forth and embodies the parental feeling, is perhaps as nearly an insupportable affliction as any which happens to us in our pilgrimage upon the earth.

“Considering your sorrow, thus deep and aggravated, I thank you most sincerely for your letter, as an evidence of the most creditable, worthy and Christian-like resignation and fortitude under this heavy visitation. It is wisdom and duty so to discipline your feelings and to guard yourselves against despondency and permanent injury to your healths from unrestrained indulgence of grief, when the dear and loved object is beyond your reach for good or evil. Preserve the equanimity of feeling your letter so fully exhibits, and time will show you that you discharge an important duty to yourselves and to your many friends. I may seem cold in giving this advice. I do not feel so, and hope you may not think so.

“Most unexpectedly to me, you had paid me the compliment of incorporating my name with that of your darling boy. He has gone from us, and the name has ceased to exist in your family, but the kind remembrance to me is not the less valued and endeared to my feelings. That I can repay the kindness I do not hope; that I shall remember it I do believe.

“Clarissa is very well, but most deeply afflicted, to day, by this news. She makes herself much more contented here than I expected she could, but has been quite anxious heretofore, and will be more anxious now, for our adjournment. I do not expect that we shall get away at an earlier day than the fourth of July, four weeks from this day, and I confidently hope we shall not be kept here to a later day.

“We regret most deeply to hear that Julia’s health is still bad. She has need of perfect health; but you must entreat her, for your sake, for the sake of her many friends, not to let grief injure her present feeble health, but to take all pains to keep her mind as far at ease as is possible, that her health may be restored.

“I write from my seat, under the hearing of an animated debate, and you must excuse all errors. In great haste,

“Most affectionately yours,

“SILAS WRIGHT, JR.

“MR. LUCIUS MOODY.”

CHAPTER LIX.

PUBLIC DEPOSITS.

When Gen. Jackson, through Roger B. Taney, Secretary of the Treasury, directed that no further deposits of the public moneys should be made in the United States Bank, the selection of depositaries devolved upon the Treasury Department. Secretary Taney called to his assistance Amos Kendall, then Fourth Auditor of the Treasury, who made the necessary investigations concerning the banks desiring to receive these deposits. On his report, the selections were made to the satisfaction of all who were not advocates of the national bank. At the session of 1835-36 a bill was introduced in and passed the House of Representatives to regulate the selection of these deposit banks and the manner of their use. In the Senate this bill gave place to another, the thirteenth section of which directed that all the moneys in the treasury, on the 1st day of January, 1837, over and above \$5,000,000, should be deposited — distributed — to the several States in proportion to their representation in the Senate and House of Representatives. This distribution — for it was one in fact — was to be made in four equal installments on the first days of January, April, July and October of the year 1837.

The bill finally passed the Senate on the 6th of June, 1836, by a vote of 30 yeas and 9 nays. The latter were given by Messrs. Benton, King, of Georgia, Niles, Robinson, Ruggles, Shepley, Wall, White and WRIGHT. The bill passed the House on the twenty-second, by yeas 155 to 38 nays ; among the latter was the author.

When this bill was before the Senate, Mr. WRIGHT addressed the following remarks to that body :

“Mr. WRIGHT, in offering his amendment, said he rejoiced that **this** interesting subject had at last come to its discussion before **the** Senate; and he rejoiced still more to see, as he thought he **did** see, a disposition upon all sides of the House to consider the **bill** with a sincere desire to agree upon a law which should here-**after** regulate the deposits of the public moneys in the State **banks**. He would assure the Senate that he entered upon the **discussion** with the most earnest hope and intention that their **deliberations** might be brought to a successful termination, and **that** provisions might be agreed upon which would not only meet **the** assent of a large proportion of the Senators, but be satisfac-**tory** to the country, and quiet the complaints and remove the **apprehensions** which now surround the subject.

“Mr. W. said he ought further to inform the Senate, before he **proceeded** with the remarks he had to make, that no pride of **authorship** could attach to him in the amendment he had offered. **The** sections which related to the regulation of deposits, were **the** bill digested by the Committee of Ways and Means of the **last** House of Representatives, as he had been informed, and sup-**posed** to be true, with the advice of the head of the Treasury **Department**, and was reported to that House, but not acted upon. **He** did not himself profess a sufficient acquaintance with the sub-**ject** to be able to frame a safe and proper bill, to regulate these **deposits**, which would accommodate the treasury, and at the **same** time be so far consistent with the interests of the banks **as** to induce their assent to its provisions. He had not so **minutely** examined the provisions of these sections as to be able **to** pronounce the opinion that they were, in all respects, right in **themselves**, or preferable to others which might be suggested. **The** last two sections of the proposed amendment related to a **subject** distinct from the regulation of the deposits, and had been **added** in pursuance of recommendations made by the Secretary **of** the Treasury in his last annual report to Congress. They **were**, therefore, propositions of the Secretary, for the temporary **disposition** of any surplus which might remain in the treasury;

and he had offered them to the Senate because they met much more perfectly his views than any other propositions for the disposition of that surplus which he had heard from any other quarter. He was not, therefore, the author of any portion of the amendment he had presented; and his action must not be considered as influenced by any such relation to any of the provisions. He would go farther, and say that he was unconscious of feeling any peculiar attachment to any of the propositions he had presented, and would most cheerfully yield them and give his support to any others which he could convince himself were better suited to the objects all had in view.

“Among those objects it appeared to him that the security of the public treasure must stand first. He was not among those who entertained the least apprehension as to its entire security in its present condition, but he was fully conscious, if further accumulations were to take place, that a change of that condition would become indispensable. His confidence in the safety of the deposit banks, at the present time, was perfect; but he could not fail to see that, if the amounts in deposit went on increasing, a just apprehension might soon be entertained that the capital and means of the banks might not be adequate to their immense responsibilities. Some indulged this apprehension now, and he was desirous to adopt measures which should not only arrest its increase, but put an end to it for the future.

“Another leading object in any action upon this subject, Mr. W. said, must be the convenient use of the banks as the fiscal agents of the treasury. And here it should be borne constantly in mind that the Senate were attempting to legislate in reference to institutions not existing by the authority of Congress, not subject to the control or direction of Congress, and in no way to be affected by the action of Congress, in their character of fiscal agents, any further than their respective voluntary assents should bind them to such subjection, and thus connect their interests with the legislation of Congress. We were, in effect, Mr. W. said, merely making proposals to these institutions for a contract, in any law we might pass; and it therefore became us, while we performed scrupulously and rigidly our office and duty as guardians of the public treasure, so far to regard the

interests to be consulted upon the other side as not to make our terms or proposals such as must meet the refusal of the banks, and thus deprive the treasury of their essential services. It was, in his judgment, the wisest protection of the public interests to offer to the deposit banks such terms as would make it their interest to discharge promptly, honestly and faithfully their duties to the treasury, and to keep carefully and safely the public moneys intrusted to them; and he could not consent to adopt any parsimonious policy which would so tie down these banks as to compel them to make an unsafe and hazardous use of the moneys in deposit, to indemnify themselves against our exactions. Such a course would be to draw the most unsafe banks only into our service, and to excite them to a use of the public moneys dangerous to the institutions and insecure to the public.

“A third object, which should not be lost sight of in the legislation under consideration, was a healthful condition of the monetary system of the country. Mr. W. said he could not, for a moment, doubt that the large accumulation of the public revenues in the banks had done much to promote the spirit of excessive speculation which, during the past year, had seemed to pervade every section of our vast country and every branch of enterprise. The ten or eleven millions, beyond any former year, which had sought investment in the public lands, must, to a very great extent, have emanated from these reservoirs of surplus funds. The year was one of plenty and profusion in every department of trade and business; and the capital of the banks, and in the banks, not required for the legitimate uses of commerce, must seek other employment. Hence, accommodations were liberal, and speculations ran wild; for, rely upon it, said Mr. W., those gentlemen are mistaken who have supposed, and have told us, that banks lock up the money intrusted to their keeping, and deprive the community of its use. Such is not the nature of these institutions. Such is not their interest; and, as soulless existences, their interests are their only governing principle. The fault is here. They will not keep money in an unproductive state; and when the proper customers of banks, those who require loans for commercial purposes, when speedy returns are certain, do not apply for their means, they will loan them to

those who are engaged in speculations; to those who, it is known, intend to apply the funds obtained to the purchase of property not convertible to cash at pleasure, but dependent upon casualties which render the use hazardous to the stability of banking facilities. The commercial community are, at this moment, experiencing a severe pressure for money. Is not the principal cause to be found here? Were the millions which have been invested in speculations upon real estate, derived from bank accommodations, within the eighteen months last past, to be returned within the reach of legitimate commercial calls, does any one suppose the pressure at present existing would have been felt? Does any one believe it would continue for one day? In so far as the great accumulation of the moneys of the government in the deposit banks may have promoted this spirit of speculation and encouraged these loans, it is the imperative duty of Congress, when legislating upon the subject of the public deposits, to devise some mode of correcting the existing evil and of preventing its recurrence in future. In our use of the State institutions as the fiscal agents of the treasury, we should, as far as may be in our power, so regulate that use as to promote, not to disturb, the great moneyed interests of the country, and the success and prosperity of commerce, which is our principal dependence for the revenues to be deposited.

“With these preliminary remarks, Mr. W. said he would proceed to consider, very generally, the bill and amendment, and to point out some of the principal differences between the two proposed measures. He should not, at this time, enter into minute details, but should confine his remarks to those differences which he thought highly essential.

“The first he should notice was the liberty given to the Secretary of the Treasury, by the amendment, to select additional deposit banks. The provision, in terms, authorized an entire new selection under the law, as those now used had been selected when there was no law upon the subject; but he was most happy to be able to say to the Senate that he was not aware, nor did he believe, there was the least intention or desire on the part of the Secretary, or of any one else, in the execution of this power, to dismiss a single one of the existing deposit banks. He did

not know, or believe, that any bank now employed was considered an unsafe depository of the public money, or had failed in any essential particular to perform its duties promptly and faithfully as a fiscal agent of the treasury. He did believe, however, that if the public moneys were to remain in the banks, additional selections ought to be made at some of the more important points. As he was more particularly acquainted with the condition of things in the city of New York, he would confine his remarks to that point. Three banks of deposit had been selected, and were now employed in that city. Two of those banks were, by their charters, restricted as to their amount of loans; and his recollection was, that the utmost extent to which they could go was twice and a-half the amount of their capital stock. All the other banks in the city and State of New York, with very few exceptions, were subject to the same restriction and limitation; and Mr. W. said he did not doubt that the third deposit bank, from the large amount of its capital, and the known discretion and safety of its directors, was practically subjected to the same limitation. Hence it would be apparent to all that an amount of public deposit must frequently accumulate in these three banks, at that point, which, connected with the capital and means of the banks themselves, would constitute a fund far beyond the amount of loans they were at liberty to make. What, he should be asked, is done with this surplus? Is it not locked up, without use to the banks or the community? He was ready, as he believed, to answer the inquiries, and to say that it is not locked up and kept from the use of that commercial community. When such a state of things is found to exist, those deposit banks suffer balances to remain to their credit in the neighboring banks of the city, upon which those banks extend their loans. He could not say that there were permanent arrangements between the banks as to these balances; but he believed he could say, with perfect safety, that they constantly existed to a greater or less extent, and that, in this indirect way, all the deposits at that point were made to constitute, as far as these deposits could properly be made to constitute, capital upon which accommodations were extended to the customers of the banks.

“The system, however, Mr. W. said, was, in his judgment,

very objectionable. These balances, suffered to remain in the banks not selected as deposit banks, were, from the necessity of the case, payable to the deposit banks upon demand, at their pleasure. It gave them, therefore, a command over the neighboring institutions, which should not exist but from an unavoidable necessity. If we so arrange the disposition of the public moneys that more banks than those now selected must be employed to use them for the accommodation of the business community, there is no reason why each bank should not be made principal in its own use, and be responsible directly to the treasury, and not indirectly, through its neighboring and perhaps rival institutions. Mr. W. said it gave him great pleasure to say that he had never heard of a charge of unfairness, or an unnecessary exertion of the power possessed by the deposit banks in the city of New York over their debtor banks; but there was something invidious in so limiting the number of the deposit banks there as to create the constant necessity of permitting part of the public moneys on deposit to remain in other banks, and be used by them, or to be taken from use, and locked up in the deposit banks. It added an unpleasant responsibility to the deposit banks, because, by the arrangement, they were compelled to be answerable, not only for their own use of the moneys intrusted to them, but for the use, by neighboring and rival institutions, of portions of those moneys; and it placed the neighboring and rival institutions, which would consent to take and use any part of these moneys, in the unpleasant position of agents to their rivals, and, so far, subject to their power and control. This state of things, Mr. W. said, he believed ought not to exist; and either that the amount of deposits in the banks ought to be reduced to a limit within their chartered powers of disposition, or that the number of deposit banks ought to be increased to an extent which would produce that consequence.

“The bill introduced by the honorable Senator from South Carolina [Mr. Calhoun] confined the deposits to the existing deposit banks, and contained a positive prohibition against the selection of others, except at points where the public service might require it, and where there was now no such bank. Of consequence, the exception would not afford a remedy in the case he

had described ; and he did not doubt that the situation of New York must be substantially that of Boston, Philadelphia, Baltimore, and many other similar points, where the principal collections of the revenue were made. For these reasons, he preferred the amendment he had offered to the original bill, so far as this difference was concerned.

“The next difference he proposed to notice, Mr. W. said, was the omission, in the amendment, of any provision for the payment of interest upon deposits. This omission, so far as his action was concerned, had been made upon the assumption that some disposition, other than that of a deposit in the banks, would be made of any surplus of the moneys so deposited, beyond the contemplated expenses of the government. Should this not be so, and should the public moneys continue to accumulate in the banks, without appropriation and expenditure, he was clearly of the opinion that the banks ought to allow a reasonable interest for their use. He was, however, so unwilling to make an investment of this description, because he held it so directly, if not compulsorily, an inducement to the banks to make a hazardous, if not improvident, use of the money in deposit with them, that he would not, in this stage of the proceeding, discuss the principle involved, or express an opinion as to any rate of interest which he might think it proper to exact. He yet entertained the strongest hope that the adoption by the Senate, of the proposition he had made for the investment of any surplus which might be found to exist, would entirely supersede the necessity of action upon this proposition ; and he took it for granted, if his, or any other of the several propositions for taking the surplus from the banks, and placing it beyond their reach, should prevail, all would concede that the use of the moneys which would remain in deposit would be no more than an equivalent for the services required of the deposit banks, in their characters as fiscal agents of the treasury. If none of those propositions should meet the approval of the Senate, then he might be compelled to consider, practically, some mode of requiring the banks to pay an interest upon the deposits, and the rates of interest which should be charged. He would not, however, at present, anticipate the difficulties which would be found to arise from any

provision of this sort. A further consideration connected with this part of the subject, Mr. W. said, it became his particular duty to bring to the notice of the Senate. He could not speak as to other States than the one he had the honor in part to represent here ; but the banks of his State, as he had before remarked, were limited in the amounts they were permitted to loan ; and in the city of New York, it happened, as he was informed and believed, and would hereafter often happen, that the amount of public deposits in the deposit banks there, would be greater, when added to the capital and means of those banks, than they could use by way of loans. Under the present arrangement, he had described the mode in which the surplus of such deposits was made useful and available to the mercantile community. The system pursued, on the part of the deposit banks, of letting balances stand to their credit in the neighboring institutions, upon which they could make loans, reached this great and useful object ; and the fact that these balances were permitted to remain without interest, enabled the banks thus accommodated to extend to their customers nearly the same liberality which could be extended by the deposit banks, were they permitted to discount upon the same funds. But if interest was to be demanded of the deposit banks, it was certain that they could not afford to suffer these balances to remain with rival institutions, without interest. They could not afford to pay interest upon funds, and give the gratuitous use of them to their neighbors.

“Interest, Mr. W. said, was the governing principle of a bank, and no bank would consent to pay interest and not receive interest ; much less to pay interest for the benefit of a rival bank. The deposit banks, therefore, will not pay interest to the government upon the public deposits, and suffer portions of the moneys in deposit with them to remain, in the shape of balances, in neighboring institutions, without interest. Can they, then, Mr. President, said Mr. W., permit them to remain upon the payment of interest ? No, sir ; I think they cannot. Balances suffered to remain, under a stipulation to pay interest, would be loans in effect, and loans within the meaning and intent of the charters of the banks which should enter into such a stipulation by way of addition to the direct loans they are permitted to

make. These deposit banks will be sure to use directly so much of the moneys intrusted to their care as they are permitted by their charters to use, and should more be deposited, it is impossible they could pay an interest upon it, and not use it; it is certain they would not pay an interest upon it, and permit others to use it without interest; it is shown that they could not lend it to others upon interest, to be used as the basis for loans; and therefore they could not consent to receive in deposit a greater sum than they could use under the powers granted in their own charters.

“Here, Mr. W. said, he thought he had a conclusive argument to prove, either that an interest upon the deposits ought not to be charged, or that the number of deposit banks in the city of New York ought to be so increased that each bank could use, by way of loans, all the money it should be required to take upon deposit. He did not oppose the plan of charging the banks with an interest upon the deposits, in case amounts of money, beyond the current demands upon the treasury, were to remain with them; but if this policy was to become the law of the land, he desired that it might be practically applied, so that the institutions and the treasury might be able to act together, in adopting it. This, he was sure, could not be done, without the selection of additional deposit banks at some of the important points. He had stated the operation at New York, and he did not doubt that the same consequences, to a greater or less extent, would be operative at several of the other important points, where the collections of the public revenue were large. He must here again remind the Senate that we were legislating in reference to institutions not subject to our legislation, and which were to be made subject to it by their own voluntary consent; by a free, and full, and fair contract, or not at all. It therefore became us to offer to them terms which they could accept, and not so to economize our own interests as to deprive us of the aids, important, if not indispensable, of those fiscal agents of our treasury. For these reasons he preferred the amendment to the original bill, because it gave to the Secretary of the Treasury the power to select additional deposit banks—an exercise of which power would be indispensable, in case the principle of charging interest upon the deposits should be made a feature of the deposit bill.

“The only other principal difference between the bill and amendment, Mr. W. said, which he proposed to notice, was, the different propositions for the temporary disposition of any surplus of revenue which might, from time to time, be found in the treasury. The bill offered by the honorable Senator from South Carolina [Mr. Calhoun] proposed to deposit it with the States, without interest, upon a mere statute pledge of repayment of the principal when Congress should call for it. The amendment offered by himself proposed simply to invest it in the stocks and securities issued by some one of the States of this Union, bearing a fair interest, transferable at the pleasure of the holder, and to authorize the Secretary of the Treasury, or the Commissioners of the Sinking Fund, at any time, when the wants of the national treasury should require it, to sell the stock so purchased at its market value.

“Mr. W. said it would be the purpose of his remaining remarks to examine these different propositions, and assign the reasons for his preference for the one he had submitted.

“The proposition he had offered, equally with that of the honorable Senator [Mr. Calhoun], rested upon the responsibility of the States; and the investments were, by the terms of it, to be confined to the stocks, or other securities, issued by a State, and carrying upon its face a pledge of the faith and credit of the State for the punctual payments of interest and the final redemption of the principal. It possessed an important advantage over the proposition of the Senator, in commanding, for the money paid, an actual and transferable security—a security which might be converted into money at pleasure, without any agency or interference on the part of the State. It also secured a fair interest for the use of the money, while it should remain invested; and in this respect seemed to him to be decidedly preferable to the proposition of the Senator.

“The Senator proposed to loan the money to the States, without interest, until wanted for the uses of the public treasury, and actually called for upon a given notice (and that, too, without any security possessed by the government, which it could use), independently of the action of the States. His only security was a legislative pledge, which was worth nothing until made so

by the further positive action of the State Legislatures. It might, or it might not, be convenient for them to respond to the call of Congress for this money; and all would admit that their pleasure must determine the question whether or not the money should be repaid, as none would contend that any power existed in Congress, or in any department of this government, to coerce the fulfillment of this legislative promise to pay.

“But by whom, Mr. W. said he would ask, was this call to be made upon the States? By Congress; in other words, by the representatives of the States here, and by the representatives of the people of the States in the other branch of Congress. The States were to be made the debtors, and their will, expressed by their representatives in Congress, was to determine whether their respective debts should be paid, and when and how that payment should be made. This was the financial policy of the proposition of the honorable Senator. This was the security to the national treasury to be offered for the almost countless millions which the imagination of the Senator had accumulated there, to be transferred to the several State treasuries.

“Mr. W. said, he here met an objection, which he must examine in a manner he hoped would be satisfactory to all who would honor him with their attention. He alluded to the objection that the mode of investment he had proposed would introduce into the financial operations of the country an extensive system of ‘stock-jobbing;’ would make the government itself a ‘stock-jobber,’ and would confound its fiscal agents with the ‘bulls and bears of the stock market.’

“The objection, Mr. W. said, was most seriously urged, and, therefore, deserved a careful examination. He hoped to be able to give that examination in a manner so simple, clear and intelligible that friends and opponents of the propositions would be entirely satisfied that its rejection must rest upon stronger ground than could be found in this cabalistic scarecrow. In what securities did he propose to make the investments? In securities resting upon the faith and credit of some one of the States of this Union. Were securities of that character the subject of stock gambling? Would any Senator rise in his place and say that the stocks or other securities issued by his State, and dependent upon its faith for their

final redemption, were food for 'the bulls and bears of the stock market?' Would any one contend that securities of this character were to be classed with the gambling stocks of the day? Would it be urged that the rise and depression of these stocks in the market for the last ten years had furnished the least indication that they were affected by the movements of those who had been termed 'the bulls and bears of the stock market?' He was sure he might give a negative to all these inquiries without contradiction here; and if so, he must be permitted to say he considered the 'stock-jobbing' objection most conclusively answered.

"He would ask, however, what were gambling stocks in practice? Were they securities, like the State stocks, defined and certain in every element which could constitute value? Were they certificates, or bonds, for a given amount of principal, payable at a given day and at a specified place; with a given rate of interest for the forbearance of payment, also payable quarterly, half-yearly, or yearly, at a given place named upon the face of the security? Could stocks or securities of this character become the subject of gambling in the stock market for any other cause than a doubt as to the payments of interest and principal? And was any one prepared to say that the faith of any State of the Union, thus pledged, was matter of doubt or uncertainty in the remotest degree? He thought not. Where, then, was the room for apprehension as to stock-jobbing? The amount of principal secured by the stock was liquidated and certain; the day of payment was particularly specified; the rate of interest was fixed, and the place for the payments of interest and principal was defined. Where, he would again ask, was there room for gambling; for stock-jobbing; for the interference of the 'bulls and bears' in investments of this character? There was none; and the history of these stocks and securities in the market would show that they were entirely exempt from influences of the disruption indicated by the objection.

"These stocks would experience fluctuations in the market, but they were not the fluctuations produced by stock gambling. When money was plenty, and the legitimate calls of business did not require all the means at the command of capitalists and

money-dealers, investments would be sought in these safe stocks, and they would rise in value. When, on the contrary, money was scarce, and capital could be safely invested at a much more advantageous rate than the usually low interest paid upon these stocks, the stocks would seek a market for a change of investment, and the consequence would usually be a depression of price. These, and these alone, were the causes of fluctuation in the price of the State stocks; and who could suppose that these causes would produce fluctuations so great as to deserve the appellation of 'stock-jobbing,' 'stock gambling,' 'an association with the bulls and bears of the stock market?'

"What, Mr. W. said he would again ask, were gambling stocks? They were stocks dependent upon future and uncertain results. They were stocks as to the value of which the judgment and the imagination were the guides of the purchaser. A bank is chartered, a railroad company is incorporated, or a canal is authorized to be constructed; a stock is created, and becomes the subject of purchase and sale in the market; but there is no bank, no railroad, no canal, in actual operation. The value of the stock is matter of calculation, conjecture, imagination. There are no dividends, and therefore the rate of dividend is unknown; and estimate, calculation, judgment or imagination, excitement, enthusiasm, as the case may be, direct the standard of value of the stocks, and govern the sales. These are the stocks which give rise to stock-jobbing; these are the gambling stocks; these are the stocks upon which 'the bulls and bears of the stock market' act; these are what have been denominated 'the fancy stocks' of Wall and Chestnut streets, and the other great stock markets of the country. Would any Senator, or any citizen of intelligence and observation, attempt to class these stocks with the certain and specified securities issued by the independent States of this Union, and guaranteed by their faith and credit? He was certain he might answer, no; and that answer must put at rest forever this frightful 'stock-jobbing' objection.

"Another advantage, Mr. W. said, to be derived from the propositions he had submitted, and which ought to commend them to the favor of some portion of the Senate, was that they were antagonistic to no measure of appropriation or distribution

which had been or which could be presented to Congress. If adopted, they would merely act upon any surplus moneys which might, from time to time, be in deposit; they would, at all times, regulate the amount of money in the banks, and prevent the mischiefs experienced and apprehended from an overaccumulation of funds there; they would remedy the evil which constituted the principal subject of present complaint, and would, at the same time, preserve the funds within the entire control of the treasury, in a shape to be converted into money whenever appropriations made by Congress should require their use.

“It was objected that there would be a want of these stocks to absorb the millions which the condition of the treasury would present for investment under the terms of the propositions. His answer to this objection was double. In the first place he could assure the gentleman who urged it, and the country, that the vivid and fruitful anticipations of the financiers who had predicted upon the amounts of surplus revenue, would be sadly and greatly disappointed. If Congress performed its duty, during its present session, and made such provision for the immediate and permanent defenses of the country as its condition and wants imperiously demanded, the amount of our surplus money would not be such as to alarm the statesman and patriot, or to compel the fiscal officers of the government to go abroad for stocks in which they could invest it. There might be a small surplus; but he thought it would mostly consist of unexpended balances of outstanding appropriations. Existing in this shape, it might be found wise to make temporary investments in the manner proposed, but not in amounts which would exceed the amounts of State stocks in the market. In the second place, the present amount of those securities, existing in the shape of stocks or bonds, must be some fifty or sixty millions of dollars; and it was a fact, known to all who had paid the least attention to the legislation of the States for the past year, that a very large proportion of them were authorizing further loans, and the issue of new stocks or securities, to enable them to prosecute additional works of internal improvement. He did not propose to be specific in any statement upon this point, but he would refer to the State he had the honor in part to represent, to Pennsylvania, Ohio,

Maryland, Louisiana, and many others, as having outstanding securities in considerable amounts; and the same States, with perhaps the exception of Ohio, together with Indiana, Illinois, Tennessee, Mississippi, and he believed several other States, had, at the last sessions of their respective Legislatures, authorized heavy additions to their State debts. How, then, could gentlemen entertain apprehensions that there would be a want of State stocks in which to make these investments? Even should the amounts to be invested far exceed their most flattering calculations, the amount of these stocks would much more than equal the sum total of surplus; and he hoped to quiet their apprehensions for the future by the confident assurance, which the history of the times would fully warrant, that, unless a radical change in the policy of the States should be produced, the increase of State loans, and consequently of State stocks and other State securities, would far outstrip the accumulations of surplus revenue in the national treasury.

“But another formidable objection had presented itself to the minds of some, in the supposition that any attempt on the part of this government to invest the surplus moneys of the treasury in these stocks would at once raise the price of stocks in the market to an extent so extravagant as to make the investments matter of important loss. He would beg gentlemen, who urged this objection, to remember against what description of investments they were using the argument. Take an example: You propose to purchase a five per cent stock of one of the States, upon which the interest is payable quarter-yearly, and the principal redeemable at the expiration of twenty years. The only consideration which can make such a stock par in this country, where money is almost always worth more than five per cent for ordinary uses, is that of perfect security, and perfect punctuality in the payments of interest and principal. If you pay a premium upon such a stock, and retain it until the principal become due, the premium paid is so much deducted in advance from the accruing interests, while, if the stock be not retained for the whole, but a portion only, of the time it has to run, its market value is diminishing in precise proportion to the lapse of time; and, of course, the prospect of recovering the premium paid, by a resale,

diminishes constantly. All these are matters of precise and perfect calculations; and if every doubt as to the prompt and punctual payments of interest and principal be removed, as in reference to State stocks and securities they might be supposed to be, they were all the elements, Mr. W. said, which entered into the value of the given stock. How much premium, then, he would ask, could be paid? Five per cent premium would be the whole interest for one year, or the twentieth part of all the interest to be paid upon the stock; and this ratio would exhibit the effect upon the interest of the purchase at any rate of premium. How was it possible, then, that these stocks could experience great fluctuations beyond those occasioned by the different value of money at different periods? They could not; and their history in the market, as he had previously had occasion to notice, had proved that they had not fluctuated materially after public confidence had become established in their entire security as investments. Indeed, he could go further, and say that the State stocks had experienced no extensive fluctuations at any period; but, on the contrary, their usual history had been a gradual rise, within certain limits, regulated by the value of money and the desire for permanent investments, in proportion as the stocks became known and their perfect safety ascertained.

“Some gentlemen, Mr. W. said, seemed to suppose that the fact that the government was to become a purchaser, would, of necessity, affect the price of these stocks in the market. This he did not believe. He had had some experience in transactions of this sort, while in charge of an important fiscal office in his own State, and acting for the State; and that experience had taught him to believe that a public officer, acting with discretion, could purchase stocks of this character upon as favorable terms as any other individual. If the officer were to give public notice, in advance, that, upon a given day, he would present himself in the market and purchase a given amount of specified stock, he would, most undoubtedly, have the price of that stock raised upon him, and would either defeat his intended purchase altogether, or compel himself to pay an exorbitant price. So with the Commissioners of the Sinking Fund, under the provisions of this act; but did any one suppose those officers would take

that course in making the investments they are required to make? No, Mr. President; no officers or agents of intelligence and integrity will thus discharge such a trust. They will first ascertain, at the times specified, the amount of money to be invested, and will then give their instructions to trustworthy and confidential agents, stock-brokers or others, at the points where the desired stocks are to be found, to make the necessary purchases for them. Their agents go into the market as other private individuals go there; not proclaiming themselves as the representatives of the United States, but as purchasers of State stocks for investment, and proffering the money, at the market value, to those who wish to sell. Their purchases, like all others, will be regulated by the relative value of money, and of the stocks purchased; and, so far from the price being affected by the circumstance that the government is in fact the purchaser, the seller may never know that fact. He makes his transfer to the nominal purchaser, and that purchaser to the United States; and it is only by following the transfers upon the books kept in the transfer office, that it will become known that the government has purchased the stocks. This fact may not be made known until the investments are completed, and the purchases for the government have closed. So with the sales, when the government may find it necessary to sell; and no apprehension, therefore, can be justly entertained by reason of the connection of the public treasury with these operations.

“Mr. W. said it was undoubtedly true, in case large amounts were to be invested at one time, that an appreciation of the stocks might be the consequence. It was a law of trade, of universal application, that an unusual demand for any article in the market had a tendency to raise the price of that article in a ratio governed by the demand and supply; and, in reference to the investments provided for, this rule would operate in the same manner that it would upon mercantile, or any other transactions of trade. As, however, he had shown (he hoped satisfactorily to the Senate) that the amounts to be invested, as surplus beyond the appropriations made by Congress, could not be large, and that the amount of stocks in the market, of the description to which the investments were confined, was ample at present, and

would increase much more rapidly than any possible increase of our surplus revenues, he thought he had answered the last two objections named, so effectually as to prevent their repetition.

“ Another objection had been made to the propositions he had submitted, of a personal character. It had been said that the Commissioners of the Sinking Fund were not the persons to whom the trust of making these investments ought to be confided. Mr. W. said he had named these commissioners, not because he had any especial preference for those particular officers, as the trustees of the treasury, upon this particular occasion. Indeed, he did not know that he could tell who the commissioners were at the present moment; but he believed the Vice-President, the Chief Justice of the Supreme Court, the Secretaries of State and of the Treasury, and the Attorney-General, were of the number, if not the whole board. He must be permitted to say he had full and entire confidence in the individuals who now held these important offices, and, for himself, he would most cheerfully confide to their intelligence and integrity any trust, pecuniary or political; but he had designated the Commissioners of the Sinking Fund for the reason that our fathers had designated those high officers, whoever the individuals might chance to be, to discharge much more important duties in reference to the great and vital interests of the treasury—the payment of the national debt, and not from any personal or political attachment to the gentlemen who now filled the places. If objection was to be seriously made on account of this feature of the propositions, and any Senator would name other public officers, whose duties would permit the requisite attention to the trust, and who could be less exceptionably charged with it, he would most cheerfully consent to the change. He was sure he did not mistake the feelings of any one of the officers he had named, when he said he could not render to them a more acceptable service than by discharging them from the unpleasant responsibilities which a faithful execution of the proposed trust might impose. He had been unable, however, after the most mature reflection upon the subject, to change the selection of trustees, and must, therefore, wait to hear the suggestions of those who found objection in this part of his propositions. He had heard

the objections with patience, and he would endeavor to receive and consider any amendments with impartiality and candor.

“Mr. W. said when he had originally offered the sections of the bill upon which he was now remarking, seven millions of dollars was named as the sum to be left in the treasury to meet the disbursements of each quarter. Before he commenced his present observations, he had modified the proposition by striking out the word ‘seven,’ and thus leaving the sum blank. He had done this because he wished the vote might indicate the sense of the Senate upon the principle contained in the section, without involving objections of detail, which, it was most manifest, the fixing of this sum would involve. The counter-proposition already offered by the Senator from South Carolina [Mr. Calhoun], with a much less sum (three millions) inserted, afforded conclusive evidence of a wide difference of opinion upon this point, and proved satisfactorily to his mind that the question between the two propositions ought to be presented to the Senate without reference to this amount : that the principle of each might be disembarrassed from this mere difference of opinion as to the amount to be left in the treasury, whether the one proposition or the other should be adopted. He thanked the honorable Senator for his agreement with him in this opinion, and for having modified his propositions in conformity with it, by leaving the sum blank in them also. Indeed, Mr. W. said, the fixing of this sum, in any event, ought to be the act of the Senate, and not of any member of the Senate who might choose to submit propositions as to the disposition of any surplus revenue which might be found in the treasury. This position would be sound, under any circumstances; and more especially so at this time, when appropriations to a greater extent than usual were not only proposed to be made, but conceded on all hands to be proper, and when, therefore, the amount to be retained for the uses of each quarter would be, to an unusual extent, dependent upon the appropriations actually made.

“There was, however, Mr. W. said, a manifest difference as to the sum which ought to supply the blank in the section he had offered from that which had been offered by the Senator from South Carolina [Mr. Calhoun], because the rule of action

of the two propositions upon the funds in the treasury was wholly different. That offered by him directed the Commissioners of the Sinking Fund, at the commencement of each quarter of the year, to estimate not only the payments, but the receipts for the coming quarter; and from that estimate to determine the average of moneys to be found in the treasury for the quarter, and to invest all, above the amount which was to fill the blank in question, in the manner pointed out in the provisions. The antagonistic propositions of the Senator provided for annual distributions, leaving in the treasury, regardless of future receipts, a specified amount to meet outstanding appropriations.

"The rule of calculation was, therefore, entirely different, and the blank in each should be filled with reference to that rule. In the former case, the calculation was to be made at the commencement of the quarter, and the receipts as well as the expenditures of the quarter were to be brought into the estimate; while, in the latter case, a gross sum was to be left in the treasury, at the commencement of each year, which, together with the receipts of the year not estimated, was to constitute its means for the coming year. In the one case, the blank should be filled by a sum which would meet the entire payments of the quarter; while, in the other, it should be such a sum as, when added to the whole receipts of the future year, would meet the whole payments of that year. It was, therefore, most apparent that, in acting upon the different principles proposed, this sum should be left blank, and that the blank should be filled with reference to the proposition adopted. It was equally apparent to his mind, Mr. W. said, that the sum to be inserted in either case must depend mainly upon the appropriations made, and to be made, by Congress, during its present session. The quarterly payments must surely depend upon that legislation; and the question whether the receipts of the next year will be equal to the expenditures of that year must also depend, in a great degree, upon the amount of outstanding appropriations at the close of this year. The appropriation bills for the present year are very late. Few of them have yet passed and become laws, although the one-half of the year has nearly expired. If, then, they be greater than usual, there is the more reason to expect that the amount of

outstanding appropriations, at the close of the year, will be unusually large. This amount, whatever it may be, is to be added to the current calls upon the treasury of the next year; and, therefore, in fixing upon a sum to be left in the treasury on the first day of the year, the amount of outstanding appropriations should be especially regarded.

“In this view of the subject, Mr. W. said he had no hesitation in saying that the blank in the propositions of the Senator from South Carolina [Mr. Calhoun] could only be filled safely by deduction of the outstanding appropriations, separate from the sum which it might be necessary to retain in the treasury at the commencement of each year, to render it safe against all current calls. In reference to the propositions he had submitted, entirely different considerations might govern our legislation. In the first place, an estimate was to be made of the receipts and expenditures of each quarter, and the sum to be invested was to be regulated by that estimate, by deducting from the moneys in the treasury, and the estimated receipts for the quarter, the estimated payments for the same quarter. That estimate, however, might be erroneous upon the one side or the other; but the consequence of error, in either case, could not be materially injurious to the public interests. If the estimate should be too favorable to the treasury, the only consequence would be that the amount of the error would remain in the treasury uninvested during the quarter. If, on the other hand, the estimate should be too short, and leave the treasury without means, the propositions not only authorize, but direct, the Commissioners of the Sinking Fund immediately to sell so much of the stocks in which the investments have been made as may be necessary to supply the treasury with means equal to its wants. At no time, under these propositions, are the means placed beyond the reach and control of the fiscal affairs of this government, or in a situation in which they cannot be commanded by the action of the officers and agents of this government, to supply the wants of the national treasury. The filling of the blank, therefore, in this section, is much less important than in that offered by the Senator from South Carolina [Mr. Calhoun]. In this case, the propositions, of themselves, provide a correction for any error which may arise. In the other case,

the money is placed in the keeping of the States; is put beyond the reach of this government or its officers, upon the mere security of a legislative pledge for the repayment of the principal, without interest; and cannot be reclaimed, whatever may be the wants of the national treasury, but upon the voluntary, separate, and independent action of the Legislatures of all those States which shall receive their respective dividends. Hence, the far greater importance that the Senate should direct in this matter; and that these blanks, and especially that in the proposition of the Senator, should be filled with great caution, and with particular reference not only to the outstanding appropriations, but to such future appropriations as any measures of national policy now to be adopted may require. He had felt it to be his duty, Mr. W. said, to throw out these suggestions; and he would content himself with their expression, until some specific motion to fill the blank in the one or the other proposition should bring the question more directly before the Senate.

“Mr. W. said he had two insuperable objections to prefer against the propositions offered by the Senator from South Carolina [Mr. Calhoun] for a disposition of the surplus revenues. The first was, that he considered them, in substance and in effect, propositions to make a general distribution to the States of all the revenues in the national treasury, from whatever source derived, and, in that sense, to embrace the adoption of a principle which he considered more dangerous to our civil institutions, State and national, than any other which could be presented for the sanction of Congress. The taxing powers of this government were to be used to accumulate money for distribution to the sovereign and independent States of the confederacy. Those States were to be taught to look to this government for the means to supply their wants; for the money to sustain their institutions; for the funds to meet their legislative appropriations. Can relations of this sort be established, and the independence of the States be preserved? Can the government of a State feel or exercise an independence of the power which feeds and sustains it by direct and gratuitous contributions from its treasury — ? What step can be so eminently calculated as this to produce speedy and perfect consolidation?

“Mr. W. said he knew he should be answered that it was not proposed to give, but to loan, this money to the States; to take their bonds or securities for its repayment, upon the call of Congress. It would be further said that the omission to charge interest was a matter of entire discretion with Congress and of justice to the States, inasmuch as the money had been collected from the people of the States, and, if not wanted for the uses of this government, ought to be submitted to the States for their use, without charge. These were specious answers, to which the form of the propositions gave countenance; but what would be their practical effect? The money was to go to the States upon a rule of distribution prescribed, and claimed to be equal and just; it was to go to them for any uses they may choose to make of it, and without interest. In return for the money, the several State Legislatures are to pass laws declaring that the State will repay the principal when Congress shall, by law, call for the payment. Does any one believe that the national treasury will ever receive back one dollar of the money distributed upon these terms? What is the course? The immediate relation of debtor and creditor is established between each of the States and the federal government, and the power to demand payment is left with the representatives of the States, and of the people of the States, in the two Houses of Congress; while the response to that demand rests with the States themselves, acting through their respective Legislatures, or otherwise, as they shall choose. The treasury is in want. Will the States, through their agents here, make a demand upon themselves to supply that want? Never, Mr. President. They may, through that channel, call for increased distributions, but never for the repayment of moneys which have been distributed and expended.

“It must not be alleged, Mr. W. said, that, in making these remarks, he expressed distrust of the patriotism or faith of the States. No man entertained more confidence in both than himself; but the government of the States was the government of the people of the States, and the people of the States composed the vast, sagacious, enterprising business community, which all here in common represent, and of whose interests they, as an aggregate number, are quite as perfect judges as their represen-

tatives anywhere. He should never express a doubt of their faith or patriotism; nor did he doubt that they would, at all times, and for all proper purposes, keep the national treasury fully and richly supplied. If, however, want should come upon that treasury, the manner of answering that want would be before the people, and subject to their interests and their will. If an increase of the duties upon imports, an increase of indirect taxation, shall be more acceptable to the majority than a call upon the States for the money now proposed to be intrusted to them, that mode of supplying the treasury will, of course, be adopted. Which—he would ask every Senator to answer to himself in candor and sincerity—which would be the most probable resort? In case of a call upon the States, all would be equally interested, and all would be likely to resist. Such a call, if the rule of distribution should be a proper and constitutional rule, would be, in effect, precisely equivalent to laying a direct tax to the amount, and the interests of no State or section of the country could, in any event, be promoted by it; but an increase of the duties upon foreign importations, and the consequent increase of the revenue from customs, a large majority of the people of the whole Union, as experience has shown, may easily be made to believe, if the fact be not so, that their interests will be directly and essentially promoted. Who, then, can doubt that this mode, instead of a call upon the States for the money parceled out to them, will be the mode of supplying any future wants of the treasury, so long as a resort to this indirect taxation can reach that object? If a calamitous and expensive war shall come upon the nation, and our commerce shall be so far interrupted or destroyed as to render any rates of duty upon imports an inadequate supply to the treasury, then, indeed, Mr. W. said, this money might be called for; because then no other resort but to such a call, or to a direct tax, would remain to Congress. Still an important and most delicate question would, even then, be likely to govern the action of the national Legislature. Each State would calculate the relative effect upon itself of a call for the money, or a direct tax to raise the same amount. The interests of the States whose population shall have relatively diminished between the time of the receipt of the money and the time when a call

shall be proposed will dictate to it, and to its representatives here, to favor a direct tax in preference to a call; because its proportion of the tax will be less than was its proportion of the money, distributed when its relative position among the States was higher. On the contrary, the relatively increasing States, those whose population shall bear a higher proportion to the whole when the call comes than when the distribution took place, will favor a call instead of a tax, because the proportion of money falling to their share will have been less than their proportion of the tax when they shall have become relatively more populous. The preponderance of these interests will, of course, determine the action of Congress when the crisis shall have arrived.

“If this view of the subject be sound and practical, will any one contend that the disposition of the surplus, according to these propositions, is, in effect, anything less than a general and unrestricted distribution of it to the States? The repayment submitted to their action, and is subject to their pleasure; and all the constitutional means for a supply of money to the treasury, separate from a call for this money, will be constantly as open to them and to their representatives here as they now are, and will remain, if this distribution be not made. Is, then, the position sound, that Congress will never make the call until a necessity either of levying a direct tax, or of making it, shall exist? And if it be, is the position of the general government made in any respect better, by having required the promise of payment as a condition precedent to dividing out the moneys of the treasury to the States? Mr. W. said he could not see that it was; while he could see the most fearful evils which might arise from this debtor and creditor relation between the States and this government. He could foresee incalculable evils which might grow out of the conflicting and contrary interests of the different States, whenever it should be proposed by the federal government to make the call for this money, and thus attempt to render the promises to pay operative. He was compelled further to apprehend, in consequence of these propositions, should they be adopted, an early agitation of the tariff controversy, and the revival of local questions which have so

recently tried the strength of this Union more severely than it had ever before been tried, and given to our institutions a shock which every patriot would long remember, and labor to the utmost of his power to avoid in future.

“His second objection, Mr. W. said, was against the rule of distribution adopted. It was directed to be made according to the representation of each State in the Senate and House of Representatives. He must suppose, if Congress possess the power, under the Constitution, to divide out the moneys in the public treasury to the States, or to the people of the States, that the rule of distribution must follow that which governs the collection of the same money. That rule is the rule of representation and taxation; is the rule of federal numbers; is the rate of representation, as nearly as may be, by which the States are represented in the House of Representatives. It has never before been proposed to include the Senate in any calculation of equality between the States. The Constitution has in no instance included it; and he must think that its inclusion here was against the spirit and against the express provisions of that instrument. How had this money been accumulated? By taxation, direct or indirect. From whom had it been collected? From the people of the States. The Constitution prescribed the rule by which, and by which only, Congress might tax them; and that was in proportion to their federal numbers. If the money is not wanted for the uses of the federal government, to whom does it belong? and to whom should it be returned? Most certainly the people from whom it has been collected, and in the same proportion which governed its collection from them. It should be distributed, then, upon the federal numbers of the States, or upon their representation in the House of Representatives alone; and the representation in the Senate, which has no relation to the population of tax-paying liabilities of the States, should not be included.

“Another argument against the adoption of this rule of distribution, of the strongest character, was to be found in the certainty it would create that the money would never be called for, even to avoid direct taxation. By this rule all the small States would obtain a large amount of the money to be distributed, beyond

the proportion to which their federal numbers would entitle them. Sixteen of the twenty-four States would gain, and eight only would lose. Present, then, in this body, where the States are represented equally, the alternative of a direct tax or a call upon the States for this money, and which do you think, Mr. President, would be adopted? Would the sixteen States prevail, or the eight? and if the sixteen, which alternative would they choose? That, of course, which the interests of the States represented here, and holding the majority, should dictate. What would be that interest? In the distribution of the money to be repaid they will have received a proportion much greater than their proportion of federal population, because the rule of distribution included their representation in the Senate. If, then, they consent to the call for repayment, they must return the money received. On the contrary, if these States adopt a direct tax, they have only to raise a sum equal to their exact proportions in the scale of federal numbers, and therefore will be direct gainers by preferring the tax and rejecting a call for the money.

“Mr. W. said he must, in justice to himself, state that the fact that the rule proposed to be adopted would work the greatest injustice to his own State had very little influence with him in urging this objection. If a distribution was to be made, and New York was to be a recipient, it was his duty to contend for her rights; but, in debt as she was, if all her citizens entertained his feelings and opinions upon this subject, they would look, as they most safely might, to her wealth, to her enterprise, to her immense advantages and resources, to pay her debts and carry her on to her high destiny, and would not prostrate her before the national treasury, for the miserable boon of a few hundred thousand dollars. Were he permitted to advise, his State would never accept the money proposed to be intrusted to her upon the terms prescribed.

“Another objection, Mr. W. said, remained to be answered, which had been very generally urged against the propositions he had offered upon this subject. It was, that an investment of the surplus in the manner he had proposed would be unequal, as between the different States; and that those States which had no debt, which had issued no stock or securities of any description,

would obtain no part of the moneys to be invested. A perfect and conclusive answer to this objection might be, that it was at the option of the States to issue stocks or not; and therefore it was at their option to participate or not in these investments, as any State which would issue stocks, and offer them in the market upon the most favorable terms, would, of course, be most likely to obtain investments. This, however, was not the answer upon which he chose to rest his defense to the objection. The objection had arisen from the fact that gentlemen had yielded all their reflections to the various plans for an equal distribution of these moneys to the States; and they had connected, in their minds, the propositions he had made with reflections of this character. There was no connection between the two subjects, and he hoped to be able to convince every Senator that the objection was wholly inapplicable in practice to the plan of investment he had suggested. There was nothing in the nature of a distribution among the States connected with the plan. No transaction with the States, of any sort, was proposed. The adoption of the propositions could not benefit or injure any State, or give any one State any possible advantage over any other State. The investments were to be made by a purchase of the stocks in the market at the market value; and before they could come there they must have been sold by the State issuing them. That State, therefore, must have received its money, and could have no interest whatever in the sale to the United States, and the purchase by them. It must have taken upon itself the obligation to pay the interest upon the stock at a given time and place, and to redeem the principal at a specified day. No change could be made in these obligations by a transfer of the stocks to the United States, any more than by a similar transfer to any private individual; and whatever premium the government may pay does not go to the benefit of the State issuing the stock, but to the holder of whom the purchase is made. So, also, if the government sell the stock of any State which it may have purchased, the State or its interests are in no way affected by the sale; its obligations and responsibilities are unchanged. Mr. W. said, the better to illustrate his meaning, the Senate must permit him to take a simple business example. I give my note to you, Mr. President, for — the

sum of \$100, payable at the expiration of twenty years from its date, with interest at the rate of five per cent per annum; the interest to be paid annually at a specified place, and the principal to be paid at the same place when it falls due; and I make the note negotiable. Can it, by any possibility, interest me whether you hold that note or sell it, or whether it be negotiated but once in the whole twenty years or every week in the term; whether it be held by individuals or bodies politic, by a pauper or by the United States? Mr. W. said he was unable to comprehend how his interests could be affected in the supposed case, and he was equally unable to discover how the interests of the States were to be affected, either beneficially or injuriously, by permitting the United States to purchase their stocks in the market, as a mere investment of money in the treasury. He was sure gentlemen must see that the objection was groundless, and had proceeded from the mistaken idea that the States whose stocks should be purchased were to be materially benefited, and that, therefore, there ought to be some provision to make the purchases equal among the States; whereas, neither the purchase nor sale could affect in any way the interests of the State issuing the stocks.

“So far from desiring this equality, Mr. W. said, the very certain inequality was, to his mind, one of the highest merits of the propositions. It was not likely that the United States would hold the stocks of a large number of States at the same time, and those would be held in very unequal quantities. This fact would cause the representatives of the States against which no securities were held to attend vigilantly to the collection or disposition of those held against other States, and, in an equal degree, would induce the representatives from those States against which small amounts were held to see that those against which the amounts were large were made punctually, to meet their payments. One of his most important objections to any plan of distribution, with a view to repayment, was predicated upon the fact that all would be equally interested against a repayment; that there would be none to exercise vigilance, because all would resist collection; that repayment would never be made, because there would be no one to demand it. Invest-

ments in the manner he proposed would be free from these objections, and would stimulate the majority to watchfulness and care that collections were promptly made.

“Mr. W. said he had but one single further suggestion to make, and he would resume his seat. He wished to inquire of those gentlemen who had voted for the land bill, and who now proposed to support the propositions offered by the Senator from South Carolina [Mr. Calhoun] to distribute the surplus revenue among the States, whether the two measures would, or would not, conflict with each other? whether they were, or were not, intended as antagonistic measures? That bill provides for the distribution of the proceeds of the sales of the public lands on specified days, and extends through the year 1837. These propositions make the same disposition of all the revenues in the treasury, over a given sum to be named, upon specified days, without regard to the sources from which the moneys may have been derived, and extends its action through the year 1841. If he was not mistaken, the distributions under the two bills were to take place, in some instances at least, on the same day. What he wished gentlemen to inform him was, which bill would take the money; for he supposed either would take all which could be called surplus. The rule of distribution was very different in the two cases, and he would be glad to learn whether it was intended, by this measure, to repeal in effect the land bill. His inquiries were particularly directed to the author of this scheme for distribution, and he should await his answer.

“When Mr. W. had concluded—

“Mr. Leigh called the attention of the Senate to a provision of the substitute, by which the Secretary of the Treasury, though he cannot change the places of deposit during the session of Congress without its consent, yet, during the recess of Congress, absolute power of such change is given him beyond the remedy of Congress, the Secretary being only required to make a fruitless report of his reasons for the change.

“Mr. WRIGHT acknowledged this to be a feature of his substitute for the bill.”

Before the final passage of the bill, after it had been ordered to be engrossed, Mr. WRIGHT, on the 7th of June, 1836, again addressed the Senate as follows :

"Mr. WRIGHT said his connection with the subject generally, and with the bill under consideration more especially, had compelled him to take a more active part in the discussion than had been pleasant to him, or agreeable to the Senate; that he had refrained from any interference with this important matter until any further movement upon it had been expressly abandoned by the honorable Senator from South Carolina [Mr. Calhoun], who had first, and upon one of the first days of the session, introduced a bill to regulate the deposits in the banks; that, after that abandonment, he had called up the bill and proposed a substitute; that he had connected with that substitute propositions for the temporary investment of any surplus, beyond the probable wants of the treasury, which should be found in the banks at the commencement of each quarter of each year; that, subsequently to the offer of these propositions, he had concluded that the terms of investment were not sufficiently restricted, and he had modified his provisions so as to allow investments in the stocks issued by the States only, and not in any other description of stocks whatsoever; that, subsequently to this time, the Senator from South Carolina [Mr. Calhoun] had seemed to resume his interest in his original bill, and had offered modifications of a character calculated and intended to distribute among the several States, in a proportion regulated by their respective representations, not in the House of Representatives, but in the Senate and House of Representatives of the Congress of the United States, all the moneys which might remain in the treasury upon a given day beyond a sum to be fixed as the amount in the treasury for that day.

"Subsequently to that time, various propositions were laid before the Senate, by different members of the body, some of them containing new provisions, and others amendments of those which had been previously submitted. The question was one of the first importance to the public and to the treasury, as well as to the general interests of the whole community. The currency

of the country, the accommodations from the local banks, and consequently the prosperity of the commercial interests, were directly involved in our action.

“Under these circumstances, the discussion upon the great question of a regulation of the deposits of the public money by law commenced. At the opening of that discussion, Mr. W. said, he had given his general views upon the whole subject. His subsequent duties in the Senate, and as a member of one of its important committees, together with the accumulated duties devolved upon him, connected with this bill, had prevented him from being yet able to present those views to the public; but he was now conscious that relief was at hand, and he should soon find it in his power to discharge that labor. Upon the views then expressed by him he should rest himself for his general justification in the course he had taken.

“It had been found, however, that a great diversity of opinion prevailed in the Senate as to the details of any bill, and that a recommitment would be indispensable, to so far incorporate the various propositions that the whole body could act upon them with any facility. After two days’ discussion, that course had been suggested by himself, and concurred in upon all sides of the Senate. A select committee was therefore appointed, and the bill and all the amendments were referred to it, and the Senate had done him the distinguished honor, upon an election by ballot, to place his name at the head of the committee as its chairman. The standing and character and talents of the members of that committee had caused him to doubt, at every step, the soundness of his views and the propriety of his course, and the more especially so, as, upon every question of difference of opinion in the committee, he had found himself in the minority, and, upon some of the most important questions of difference, in a small minority.

“He was most happy, however, to be able to say, that every question had been decided without passion or personal feeling, and that, so far as he could judge, all were disposed to frame a bill which would meet the approbation of the Senate.

“A single question had excited peculiar interest with him. He had been most anxious to agree upon a bill to regulate the deposits of the public money in the banks; and when he found that

no proposition for the disposition of any surplus, if surplus there **should** be, to which he could give his assent, could command the **support** of the majority of the committee, he had urged the **separation** of the two subjects, and the report of two separate bills ; **the** one to regulate the deposits in the banks, and the other to **provide** for a more permanent disposition of the surplus. In this **he** was unsuccessful, as the majority of the committee preferred **that** the two subjects should be connected in the same bill.

“Since the report of the committee of the Senate, he had **made** every proper effort in his power to produce that **separation**, and he could not but congratulate himself upon the fact **that** his first effort was successful ; that the first vote of the **Senate** sustained the propriety of his views, and directed the **separation** of the two subjects (which he must say he considered in **their** nature and character entirely separate), and the report of **independent** bills for each.

“A reconsideration, however, had been proposed, and, after a **night’s** deliberation, it was carried. The motion to recommit was **then** lost ; and the determination of the Senate thus expressed **that** the two subjects should be coupled in the same bill, and **should** stand or fall together. From that time, Mr. W. said, he **had** felt himself relieved from all responsibility as to a deposit bill proper. He had found that no such bill could be passed in the Senate without incorporating with it a perfectly separate and **most** important provision for giving the moneys in the treasury to the States, under the name of a deposit. Such a provision contained principles to which he could not, for any consideration, **give** his assent ; and after that vote, therefore, the bill to him **had** lost its value.

“He had been still disposed, however, to adhere to it, and to **make** further trial to so modify its provisions as to enable him to **give** it his support. With this view he had again offered his **Propositions**, which directed an investment of the surplus in the **treasury** in State stocks, bearing an interest, and transferable at the pleasure of the holder, with authority in the Secretary of the **Treasury** to transfer them, when the wants of the treasury should **require** money for the stocks. As against a proposition to loan **the** money to the States without interest, this proposition had

met with little favor. He believed it had received but four votes in a full Senate. The reasons for a different disposition had appeared to him to be that the money was the property of the people of the States, and, if not wanted for the uses of this government, ought to be given to them, without interest, instead of being invested upon interest. He was willing to admit that some force attached to this argument; but his mind had embraced the argument as relating to, and growing out of, the representative rights of the people of the States, and as referable to their taxable liabilities. If the money belonged to the people of the States, and they had the right to use it without interest, it was because it had been accumulated by taxations upon them, as drawn from a common fund, in which they possessed a common interest. This he believed was the position assumed by the friends of the bill.

“Would any member of the body, then, blame him for the surprise he had experienced when he found a principle of distribution incorporated in the bill entirely at variance with the rights of the people of the States, as resulting from the rate of representation or taxation established by our common constitution of government, when he found this body made an element in the rule of distribution of that money which had been drawn from the people of the States, to be returned to them, as the pretense was, because it was not wanted for the purposes of this government? What was the rule of representation of the States here? A perfect equality. What was the representation of the people of the States, and the liabilities for taxation, in the other branch of this Legislature? There were sixteen States which would gain by the rule of distribution in the bill, which sixteen States were represented in the popular branch of Congress by eighty-one members; while there were eight States which would lose by the incorporation of the Senate as an element in the rule of distribution; which eight States were represented in the same branch of Congress by 159 members. The constitutional rules of taxation and representation were the same; were both based upon the federal members; and in neither was the representation in the Senate an element.

“Would it be said that this was not a proposed distribution

of this money to the people of the States, but a mere investment of it? Why then any reference to the representation of the States in either branch of Congress? And much more emphatically, why this reference to both, while a simple investment in securities of the same character, without reference to the principle of distribution, receives but four votes in the whole body? Surely no one will have the hardihood to say, in answer to these inquiries, that the disposition intended is not a distribution to the States according to a rule which is intended to be defended as just and equal. In this sense, could the rule of distribution be defended as just, as equal, as constitutional? He would leave the answers to these questions to those who supported the bill with this provision contained in it. For himself, he was ready and willing to say that, in his judgment, if a power existed to return the money to the people at all, the exercise of that power must follow the rule which raised the money from the people by taxation, or from that fund which they held in common, and in the same proportions which govern their liability to taxation.

“Having thus explained himself as to the provisions and progress of the bill, he was content to rest upon the record of the proceedings upon the bill, which the journal of the Senate would show. If, in resisting this division of the moneys of the nation, he had misrepresented his immediate constituents, he desired that they should know the fact, and especially at this time, when it would so soon be in their power, without his consent, to fill the place he occupied with a better man. If, in refusing to yield to a rule of distribution that does them great injustice, he had been less liberal of their strict rights than they would wish him to be, he was equally anxious that they should be advised of his action, and thus have it in their power to redress themselves if they have been aggrieved.

“Mr. W. said there was yet a question which he had not considered, but which must claim his principal attention. He had hitherto spoken of the progress of this bill, and of the rule of distribution adopted by it. He had not spoken, nor did he intend even yet to speak, of the constitutional power of Congress to use its taxing power to collect money from the people of the

States, not to give back to the people who pay the taxes, but to place in the treasuries of the States without interest. This was a great question, which he hoped the people of the States would decide without argument from him, and to their decision he would most cheerfully submit. He was aware he might be answered that Congress could not use its taxing power under the Constitution to raise moneys for distribution to the States, and that the fact that the money was in the treasury had raised a necessity from which this power of distribution was assumed. When those who should use the argument would show him how it was to be ascertained that the money now in the treasury was not raised for distribution, and how it was hereafter to be shown that any money in the treasury was not raised for distribution, he would enter upon a further argument of the points; until then he would content himself with saying that Congress could possess no greater and no less powers for raising revenue than it had possessed from the adoption of the Constitution to the present time, unless the provisions of that instrument, upon that subject, should be contracted or enlarged. The question to which he referred, and to the examination of which he asked the candid and unprejudiced attention of the Senate, was, how much money would remain in the treasury on the first of January next, which could properly be termed 'surplus,' not required to answer the wants of this government, and, therefore, to be given away to the States? He had taken some pains to inform himself upon this point, and the best information he could obtain should be given to the Senate.

"By a report from the Secretary of the Treasury, made to the Senate on the sixth day of June instant, the amount of money in the treasury on that day, subject to draft, was \$33,563,654; and in consequence of the late passage of the appropriation bills, and the rapid payments from the treasury under them, that amount, over and above the current receipts, is now reduced to less than \$33,000,000.

"For the present, Mr. W. said, he would examine the charges now existing, and likely to be made, upon this sum; and what were they?

| | | |
|--|-------------|------------|
| 1. Balance of outstanding appropriations of the last year..... | \$5,170,000 | |
| 2. Permanent appropriations chargeable upon 1836, viz. : | | |
| Pensions under the act of 7th June, 1832, about | \$1,300,000 | |
| Pensions to revolutionary officers, per act of | | |
| 15th May, 1828, about..... | 160,000 | |
| Virginia claims, per act of 5th July, 1832, about | 52,000 | |
| Gradual improvement of the navy..... | 500,000 | |
| Arming and equipping the militia..... | 200,000 | |
| Civilization of the Indians.... | 10,000 | |
| Unclaimed dividends and interest of debt..... | 50,000 | |
| Library of Congress..... | 1,000 | |
| Three per cent to new States from sales of lands, | 500,000 | |
| Proportion of French indemnity payable by the | | |
| United States, being part of the amount to be | | |
| paid by us by the treaty..... | 225,000 | |
| | <hr/> | 2,998,000 |
| 3. Appropriations already made at the present ses- | | |
| sion of Congress, viz. : | | |
| Navy bill, about. | \$6,276,312 | |
| Civil list | 2,767,981 | |
| Supplement to civil list, about..... | 71,770 | |
| Army bill..... | 4,010,485 | |
| Seminole war..... | 2,120,000 | |
| District of Columbia debt.... | 1,570,000 | |
| Pensions | 455,454 | |
| Payment of members of Congress, etc..... | 843,880 | |
| 1 Volunteer army bill..... | 800,000 | |
| Creek war..... | 500,000 | |
| Concurrent resolutions as to claims of States | | |
| against the general government, say..... | 200,000 | |
| Private bills and miscellaneous appropriations | | |
| already made, not less than..... | 100,000 | |
| | <hr/> | 19,215,882 |

“ We then, Mr. W. said, had certainty so far ; and how did the account stand ?

The money in the treasury at our last accounts, on the sixth

day of June instant, was \$38,563,65

There were then appropriations charged upon it as follows :

Outstanding appropriations of 1835..... \$5,170,000

Permanent appropriations for the service of 1836.. 2,998,000

Appropriations already made during the present

session of Congress toward the service of 1836.. 19,215,882

27,383,882

Thus leaving a balance in the treasury, unappropriated on the

sixth day of the present month, amounting to..... \$6,179,77

Since that time the Indian annuity bill has passed, and become

a law, and, including the sums for the removal of Indians,

appropriates about 1,800,000

Which, taken from the above balance in the treasury, will leave \$4,379,77

“ Mr. W. said he would now inquire, as briefly as was possible, what further appropriations remained to be made for the present year, and which he thought all would admit must be made. And here the first subject which had demanded his notice was the Indian treaties which have been ratified by the Senate during its present session. He would enumerate but two, the treaty with the Cherokees and with the Chippewas and Ottawas. These treaties required appropriations, at the least, to the following extents :

The Cherokee treaty to the amount of..... \$5,600,000

The Chippewa and Ottawa treaty to the amount of..... 1,500,000

The fortifications had occupied much of the attention of the present Congress, but, as yet, nothing had been appropriated toward them. The Senate had sent a bill to the House, providing for the purchase of sites, and the commencement of new works, and appropriating for that object about.....

1,100,000

A bill was pending before the House to provide for continuing the work upon the existing fortifications, and proposing to appropriate for that object about.....

2,250,000

A bill for the continuation of the Cumberland road had been sent from the Senate to the House, proposing appropriations for that object to the amount of

600,000

Carried forward..... \$10,850,000

| | |
|--|---------------------|
| Brought forward..... | \$10,850,000 |
| Bills were before the two Houses, and most of them had passed the one House or the other, for the improvement of roads in the territories, amounting to about. | 150,000 |
| A bill had come from the House to the Senate to provide for constructing a frontier road along the western frontier of the United States, and appropriating for that object..... | 100,000 |
| Two bills, which usually met the favorable action of Congress at every session, and more especially at the long session, the one for the improvement of harbors and rivers, and the other for the erection of light-houses, light-boats, beacons, buoys, etc., are before the House, proposing to appropriate for these objects | 1,500,000 |
| Provision has been made annually, and it is presumed will be made this year, for the compensation of custom-house officers, which calls for an expenditure of about..... | 200,000 |
| A bill is now before the House to provide for the increased expenditures at the mints, and proposes to appropriate..... | 50,000 |
| Further appropriations must be made for the Seminole and Creek wars, and the least sum estimated to be necessary is.. | 3,000,000 |
| The estimated amount of appropriations by private and local bills, not enumerated above, and beyond the \$100,000 included in the first statement, is | 1,450,000 |
| This presents an aggregate of appropriations to be made, all of which are supposed to be to some extent necessary, and even indispensable to the public interests, equal to | \$17,500,000 |
| Take from this amount the above balance in the treasury, after deducting the outstanding appropriations, to wit..... | 4,379,772 |
| And there will remain, to be charged upon the moneys to be received into the treasury after the sixth day of June instant, the sum of..... | <u>\$13,120,228</u> |
| There was another class of appropriations of a public character, which he thought ought to pass, and he hoped might pass before the adjournment of Congress. One of these measures was the filling up of the ranks of the army, and which, if successful, he supposed would incur an annual expenditure of at least..... | \$1,000,000 |
| Several bills were before Congress for the erection of new custom-houses, some of which, and especially one at New Orleans, and at one or two other points, he hoped would pass, and they would appropriate about..... | 300,000 |
| Carried forward..... | <u>\$1,300,000</u> |

| | |
|---|--------------|
| Brought forward..... | \$1,300,000 |
| Bills were before Congress, and surely ought to pass, for rebuilding the treasury buildings, and there was asked for that object, for the present year | 250,000 |
| A bill was also now before the Senate recommending the erection of a fire-proof building for the Patent Office, and proposing to appropriate for that object something more than.. | 100,000 |
| Several bills were before the two Houses of Congress, to provide for the erection of new marine hospitals, and he supposed some of them would meet our favorable action. He had estimated that the appropriations for these objects would be.. | 50,000 |
| Bills were before Congress to remit the duties upon goods destroyed by fire in the original packages, many of which he thought ought to pass, and would appropriate, if they did pass, at the least | 1,100,000 |
| A bill is now before Congress proposing to advance the unpaid indemnities under the treaties with France and Naples. This bill would be eminently calculated, to its extent, to relieve the present mercantile pressure, and ought to pass. It would appropriate about..... | 4,000,000 |
| A bill has passed the Senate, and been sent to the House, to purchase the remaining stock held by private stockholders in the Louisville and Portland Canal Company, and appropriating for that object | 500,000 |
| Here, then, is a further amount, unprovided for, except by future receipts into the treasury, of..... | \$7,550,000 |
| Add to this the balance unprovided for except by future receipts into the treasury, as shown by the result of the last preceding calculation..... | 13,120,228 |
| And we have an amount of existing and probable appropriations, beyond any means now in the treasury, equal to..... | \$20,670,228 |

“Mr. W. said he did not say that these appropriations would all be made. He did not believe they would all be made; but he had intended to select, with care and caution, such only: as were presented to Congress with strong claims; of many of these he could say with claims which seemed to him almost, if not altogether, irresistible. He would then ask gentlemen who disputed his conclusions to point out the important bills he had enumerated, which would not and ought not to pass. He had given particular reference to the measures, and he hoped they would put their finger upon those which they would oppose.”

CHAPTER LX

RECHARTERING THE BANKS IN THE DISTRICT OF COLUMBIA.

For the business of the District, it had a large number of banks in 1836. They all sought extensions or renewals of their charters by Congress. Temporary extensions were granted them, and a portion received renewals for considerable periods of time. One of them had become a deposit bank, and it had been alleged, at a previous session, that the deposits were improperly loaned out to politicians. Thereupon the House appointed a committee to examine that bank. On their arrival, the books of the bank were withheld from their examination. Gen. Jackson, on hearing this, sent for its president and informed him that, if he wished to have his bank continued a deposit bank until sundown, he must invite the committee to return and throw its books and papers open to their inspection. Of course this was done, for the bank knew full well that the President would not be trifled with and would keep his word.

The committee returned and found that the bank held numerous notes of democratic members of Congress, indorsed by whig members, and notes made by whig and indorsed by democratic members. Very many of the makers and indorsers were engaged in speculations in public lands. The exhibit was of that character that it was not deemed wise to display it in a formal written report. But bills for rechartering several of the banks were reported and warmly discussed. In the Senate, Col. Benton took the lead in opposition to the banks. A bill was passed in the Senate, on the seventh of June, for renewing these charters. Mr. WRIGHT made no speech against them, but contented himself on this occasion with voting against the bill. The vote stood 26 ayes and 14 noes.

CHAPTER LXI.

REDUCTION OF THE DUTIES ON IMPORTS.

When Mr. WRIGHT entered the Senate, in January, 1833, the committees in that body had been appointed, for the second session of the twenty-second Congress, at the meeting in the previous December. At both sessions of the twenty-third Congress he served on the Committee on Commerce. In the twenty-fourth Congress he served during the first session as a member of the Committee on Finance, and at the second as its chairman, which position he long held. This committee has charge of most revenue subjects. The revenues in 1836 had become excessive, and statesmen turned their attention to the subject of their reduction. To aid in accomplishing this purpose, Mr. WRIGHT, as chairman of the Committee on Finance, on the 27th of January, 1837, introduced a bill having that object in view. Not being accompanied with a written report, he made the following explanation of it:

"Mr. WRIGHT said it was his duty here to say that, in consequence partly of ill health, and partly of other and paramount engagements, the committee had been deprived, during all its deliberations upon this bill, of the valuable advice and aid of one of its members; and that, therefore, nothing contained in the bill, and nothing which he should say, was to be considered as committing that member of the committee, or as expressing his views upon the important and interesting questions involved. The very late arrival in the city of another member of the committee had prevented him from partaking fully in their deliberations. The bill, therefore, is to be received rather as the conclusions and recommendations of a bare majority of the committee than of the whole committee; and it was his duty further to add, that what he should now say would be

more the expression of his private views, and the motives and opinions which had governed his action, than anything he had been either authorized or directed by the committee to say.

"The reference was general, and applied to the whole revenue of the country. This revenue (or, more properly speaking, the receipts into the treasury) consists of two parts: the money derived from the duties imposed upon importations, which is revenue proper, and the receipts from the sales of the public lands, which is, in fact, capital, and not revenue. The committee, upon their first view of the reference, considered this last branch of the subject, the receipts from lands, more properly to belong to another standing committee of the Senate—the Committee on Public Lands. Indeed, at the very time of the reference, they knew that the subject of the reduction of the amount of money flowing into the public treasury from the sales of the public lands was under consideration before that committee; and very soon after this reference to the Committee on Finance, and before that committee had made it a subject of deliberation, the Committee on Public Lands reported to the Senate a bill, having for its object the reduction of this branch of the receipts into the public treasury. That bill was, long since, taken up for action in the Senate, and has, for many days now last past, occupied the principal time and attention of the body.

"The Committee on Finance, therefore, have not, at any time, considered that branch of the reference before them for their action, or that they have been, at any period since the reference, at liberty to consider and act upon it.

"Mr. W. said, another conclusion of his own mind, and one he believed existed also in the minds of his colleagues upon the committee who were present and acting, was, that if Congress, by any legislative action, at its present session, could reduce the receipts into the treasury to the wants of the government, the most important measures to reach that object must relate to the lands, and go to reduce the receipts from that source. This conclusion was founded upon the amount of receipts from that source for the last two years. These receipts, for the years 1835 and 1836, counted together, had amounted to between thirty-eight and thirty-nine millions of dollars, he did not know but

full thirty-nine millions; a sum which exceeded the usual estimate of the wants of the treasury for the two years mentioned. If, then, every dollar of the revenue from customs were instantly repealed, and the receipts from the lands were to continue at the rates of the last year, there would still be a surplus in the treasury, or the expenses of the government must be swollen beyond the amount which is considered economical and desirable. It was, therefore, impossible to apply an efficient and adequate remedy for the existing evil of a redundant revenue by any reduction of the revenue from customs. The receipts from the lands was the seat of the evil, and to that quarter the great and commanding remedies must be directed. The committee hoped and believed, during the whole of their deliberations, that Congress would pass the necessary laws, during its present session, to lop this branch of our public receipts, and to relieve the national treasury from the dangerous plethora now weighing upon it from that source. Mr. W. said he yet entertained that hope, and his action upon the interesting and important subject of a reduction of our revenue from the customs had been influenced by that hope and belief.

“Thus confined, as the committee believed they were, to a consideration of the reduction of the duties upon customs, another principle which actuated himself, and which he believed actuated every member of the committee who participated in their deliberations, was to move cautiously and safely; not to shock the public sense by any hasty and rash movement; not, if that could possibly be prevented, to disturb any permanent and important domestic interest of the country, which had grown up, or was now growing up, under the protection of our revenue laws; but to go as far as the existing laws would permit, to reduce this branch of the revenue without incurring any of these evils. Acting upon this principle, the committee had, in the bill which he was directed to report, and which he was about to send to the Secretary’s table, added to the list of free articles every thing which had appeared to them to admit of being made free, without injury to the interests to which he had referred. Every article proposed to be made free was distinctly named in the bill; and the committee had caused a statement to be prepared, from

the tables of commerce and navigation for the year ending on the 30th of September, 1835 (the last table of that description which is yet completed), showing the name or designation of the article, the present rate of duty, the amount of importations for the year 1835, the amount of duty paid upon the article as calculated upon those importations, and the amount of duty proposed to be reduced, as estimated upon the importations of that year. Many of the articles named in the bill are not enumerated separately in the tables of commerce and navigation, but are given as non-enumerated articles, and so grouped as not to show, with precision, the importance of each; but the committee believe that the statement will present, with satisfactory clearness to the mind of every Senator, the effect of the action they recommend by this part of their bill. This statement it was the intention of the committee to ask the Senate to order to be printed to accompany the bill; and they felt confident it would afford greater aid to the action of the body upon the bill than any form of written report they could have presented.

“Among the articles proposed to be made free would be found ‘common salt;’ and Mr. W. said, while it was not his object at this time to discuss any of the merits or provisions of the bill, he hoped he should be pardoned for the remark, that he knew this was, by far, the most important article inserted in the free list, and an article much more likely than any other to excite a deep feeling in the country, and to meet with firm and spirited opposition. He also knew that this was, in certain portions of the Union, a protected article, and would, in that sense, be considered as inserted in violation of the general principle by which the committee had proposed to govern their action. Under these convictions, he was consoled by the reflection that no State in the Union held so deep a stake in this article, as a domestic article, and one of domestic manufacture, as the State he had the honor in part to represent here. It was an important article to a large and most respectable class of the citizens of his State, as one of production and manufacture; and it was important to the State itself, as a source of revenue to the State treasury. In these aspects he was fully aware of the delicacy of his position in having consented, as a member of the committee, to the insertion

of salt as a free article, and in standing here to urge the Senate to repeal the duty upon it. He did, however, believe that the universal wish of his constituents was that the revenues of this government should be reduced to the economical wants of its treasury, and that they did not expect to reach that desirable result without themselves making their full share of sacrifices to the common object. He therefore relied upon their liberality and patriotism to justify him in the course he had pursued ; and he did not doubt that they would justify their representatives upon this floor, and in the other House of Congress, in consenting to this reduction of more than half a million of tax upon one of the most prominent and universal necessities of life, when the money raised upon it was not only not wanted for public expenditure, but was producing dangers to our institutions greater than any which those institutions have heretofore encountered — the dangers of an overfilled treasury and a surplus revenue. He could not be mistaken in the opinion that, if the country could be effectually discharged from these startling dangers, his constituents, patriotic and intelligent as they ever had been, and still are, would not only justify, but applaud, their representatives here, for coming forward and offering this sacrifice on their behalf to reach so important a national good.

“ Mr. W. said the article of ‘ wines ’ was another important article which had presented itself to the notice of the committee, and which they would have been inclined to make free, had it not been their duty also to notice and regard the stipulations in relation to wines in our late treaty with France. Those stipulations must be preserved with all the national faith which has throughout the whole history of our beloved country so signally distinguished her policy toward other nations; and in the opinion of the committee they put it out of the power of Congress to make any wines free until after the expiration of the term mentioned in the treaty, during which the wines of France were to have extended to them certain advantages, in our revenue laws, over the wines of other countries. Under this impression, the committee have recommended a further reduction to the extent of one-half of the existing duties upon all wines, from whatever country imported, thus preserving the proportions between

French and other wines, stipulated by the treaty to be preserved in our future legislation upon this subject, and pursuing the same course of legislation which Congress has, upon two former occasions, since the ratification of the treaty, pursued in regulating the duties upon wines.

"As intimately connected with this branch of the revenue from customs, the article of 'spirits made from vinous materials' attracted the attention of the committee. They found the existing duties upon this description of spirits very high, ranging from fifty-three to eighty-five cents per gallon, according to the rates of proof at which the spirits may be imported, and that, by applying the same reduction to this class of duties which the committee propose to apply to wines themselves, they would be able to reduce the current revenue by a sum not less than from \$275,000 to \$300,000 per annum. It was not without much hesitancy and doubt that the committee adopted this recommendation. They were, and are, fully sensible that a proposition for the reduction of the duties upon any description of ardent spirits will not meet with favor in the minds of a very large portion of our citizens. They feel no certainty that it will receive the approbation of the Senate; but so deep was the conviction in the minds of a majority of the committee of the necessity of a reduction of every duty not protective in its character, to secure the preservation of those which are so, that they felt bound to make the proposition and present it to Congress. The reduction in the revenue, which will be effected by its adoption, is so important in amount, that the committee hope it will receive the calm and candid consideration of Senators before a determination shall be made to diminish so extensively the beneficial action of the bill they present. To relieve the country from the incalculable evils growing out of a surplus revenue is the object of the bill; to do that without a reduction of the protecting duties has been the intention of the committee. They have, therefore, not touched the duty upon 'spirits from grain,' and they cannot suppose that the reduction they propose upon one single other description of spirits will bring them at all into injurious competition with domestic spirits of any kind.

"Mr. W. said he was extending his remarks further than he

had designed, as discussion now was not his object. He would not, therefore, refer to any other articles affected by the two first sections of the bill. The two great articles of salt and spirits were the only ones which he supposed could excite much interest, or lead to much discussion or opposition. Hence he had desired to bring them more particularly to the notice of the Senate. It might be found that other articles had been unwisely inserted. It would be strange if, in so extensive a list, it should not be so; but they would not be important, and might be stricken out. It would also, no doubt, be found that some articles had been omitted which ought to be made free; and it might be the pleasure of the Senate, when acting upon the bill, to extend reduction to articles not now included. The examinations of the committee had been careful and diligent, but they had not been as extensive and perfect as they themselves could have wished, though as perfect as the time allowed them had permitted.

“He would now, Mr. W. said, offer, very briefly, the apology which the committee had to offer for presenting the bill unaccompanied by any written report. If he had been fortunate enough to make himself understood by the Senate, in the remarks he had already made, it would be seen that no report could make the provisions of the bill more clear, or show more accurately its influence upon the revenue and upon the articles embraced in it, than the statement prepared by the committee to accompany the bill would accomplish those purposes. The only object, therefore, of a report from the committee would be to give to the Senate their views, he would say their conjectures, as to the receipts and expenditures of the government for the present and future years. After the most mature examination and reflection, it was the unanimous opinion of those members of the committee who were present, and acting in the matter, that they could make no report upon these points which would communicate to the Senate any new information, not already in the possession of every member of the body, or which would furnish any valuable or useful guides to the action of Congress upon the bill. Were it not proposed, by legislative action, during the present session of Congress, to make great and important changes, affecting all branches of the revenue, and all the sources

from which money comes into the public treasury, calculations, estimates, conjectures, might be made as to the revenues of the present year; but all such calculations, even in that case, would be most vague and uncertain at best. The experience of the last two years has demonstrated the impossibility, with all the information which can be reached by those officers of the government whose sole duty and business it is to manage our fiscal affairs, of so perfecting estimates upon this point that they may not disappoint us many millions. Distinguished and experienced legislators, too, have frequently attempted estimates with no better success, and no member of the Committee on Finance can pretend to information, or judgment, superior to those who have thus erred in their conjectures as to the receipts into our public treasury for a given future period.

“Add, then, the consideration that both branches of Congress are, at this moment, considering bills designed to diminish, for the future, the receipts into the treasury from the sales of public lands; the impossibility that the committee should know whether any bill on that subject will finally pass, and become a law; what may be the provisions of the bill which shall pass, in case any bill do pass; and what may be the effect, in practice, upon the receipts of money for land sales, of any given provisions which may be incorporated in any bill, and Mr. W. said he could not suppose it would be expected by the Senate that the Committee on Finance would have attempted any estimate of the amount to be reduced from the revenue from customs, in order to reduce the whole receipts in the treasury to the standard of the economical wants of the government. Against a body of contingencies and uncertainties of the magnitude and character specified, added to those which must always attend estimates of future revenue from uncertain sources, estimates in name would be more loose than ordinary conjectures; and so loose as to be of no other value than the mere conjectures of so many members of the body to which their report would be submitted. So much for the reasons which have led the committee to come to the conclusion not to attempt estimates, or calculations, or conjectures, as to the amount of money to come into the national treasury during the present or any future year. They

have satisfied themselves that the reductions from the revenue from customs proposed by the bill they recommend can be spared by the national treasury, and leave it able to meet the necessary calls upon it. They do not pretend to say that further reductions will not be required to bring the revenue to the point so much desired—that of the economical wants of the government. The receipts into the public treasury are now greatly above that point. The committee have already said their examinations have convinced them that the great measures of reduction must be directed to that branch of the receipts arising from the sales of lands. They feel strongly the soundness of the principle that reduction should be proceeded in cautiously and carefully, and, so far as that can be done, with a certainty that while we are remedying one evil we do not fall into another; that while we omit nothing which can properly be done to reduce the revenue to the wants of the government, we do nothing calculated to carry us so far below that point as immediately to produce the necessity of again raising revenue by an increased rate of duties upon imports. These constant fluctuations, sudden and excessive changes in our revenue laws and consequent agitations of the public mind, and uncertainties in the operations of mercantile and commercial men, Mr. W. said, he thought it most important, in any legislation, to avoid. Hence he, as a member of the committee, had determined to pursue what he considered a safe course, neither endangering nor disturbing any important protected interest of the country, or the public treasury in meeting the necessary calls upon it. He had not attempted to determine that the bill would do all that a full remedy for the existing evil demanded, but merely that, in the present state of uncertainty as to the other important branch of the public receipts and the influences upon it of the instant legislation of Congress, it was all the committee had concluded, at present, to recommend, and that so much might be done safely.

“Mr. W. said there was no less difficulty in making calculations and estimates upon the other side of this great account, the public expenditures. The ordinary expenditures of the government—that portion of the expenses required to keep all the departments of the government in organization and operation—were laid

before us by the proper fiscal officer of the government, and appropriations to that extent might be very safely calculated upon. All the information within the power of the committee upon this class of appropriations had been equally fully in the hands of every member of Congress from the commencement of the session. No benefit here, then, could be derived from any report the committee could have made. All beyond this was within the pleasure of the two Houses of Congress and the President. What extraordinary appropriations they might see fit to make for fortifications, for the navy, for public defense generally, or for any other of the great objects calling for expenditures of money, it was not only out of the power of the committee to say, but would be in vain for them to attempt to conjecture. They could not, therefore, with any certainty, estimate the expenses of the year. Mr. W. said he felt conscious that the appropriations of Congress would, as he thought those appropriations should, be graduated by a due regard to the ability of the treasury to pay, and the public and national wants to be supplied; but he also further believed that a redundant treasury always promoted not large merely, but extravagant appropriations; and one of his greatest anxieties to reduce the national revenues to the national wants arose from the conviction that in that way only can we preserve a system of economical expenditures. He would add no more upon this branch of the subject, hoping the Senate would find in these suggestions sufficient apology for the action of the committee in submitting the bill without any attempt at a report upon these vague uncertainties.

"A single other remark, Mr. W. said, and he would relieve the Senate from listening to him further. He had not forgotten that another bill had been introduced elsewhere upon this same subject, and proposing to accomplish the same great purpose. He hoped he should not be considered as infringing, unpardonably, upon the rules of order, in making this reference to that measure. It might be supposed by some member of this body, it might be supposed by some member of the other House of Congress, or it might be supposed by some portion of our common constituents, that this bill coming from the Committee on Finance was designed to conflict with the measure referred to. For himself,

Mr. W. said, he could say, with perfect truth, that no such motive or feeling had entered into his action. He was sure he could say the same for his colleagues upon the committee. They had considered the reference of the Senate, in the special manner in which it had been made, positive and mandatory upon them. A report of some sort was their duty, and the report which they believed most conformable to their duty, under the reference, was the bill he was about to present. The time for making their report was not a matter of their pleasure. If made in the shape of a bill, they were bound to make it in time to permit the possibility of action upon it; and they had not been unfrequently reminded of the impatience of some members of the body for the conclusions to which they should come. Their delay had been unintentional and compulsory, and the advancement of the session had urgently admonished them that further delay would be equal to a failure to discharge the important and delicate duty intrusted to them. He, Mr. W., thought that an examination of the two bills would satisfy every one that they could, in no sense, be antagonist to each other. The one proposes to add largely to the list of free articles, and to make material reductions upon two classes of articles not considered as belonging to the protected products or manufactures of the country. The other proposes to hasten, with very great rapidity, the reductions proposed to be made by the compromise act. It cannot, then, escape attention that there is no contradiction, in principle or action, between the two measures. Both may make too large, or too rapid, a reduction; but should the bill now presented fall short of its object, a sufficient reduction of the revenue from customs, it was his duty to say that no other mode of further material reductions had suggested itself to his mind, in the course of his examinations and reflections upon the subject, than to adopt the principle of that bill, moderated as to time so as to suit the exigency. He would further say, that he wished those most interested in the great and important provisions of the compromise act could see, as he thought he could see, that it was their peculiar interest to consent to a modification of that act, which should make its reductions of the revenue gradual and uniform from the present period to the year 1842; a

little more rapid from this time to 1841, and much less precipitous and shocking to those interests from 1841 to 1842. As, however, the committee had no evidence before them of the feeling of the citizens most deeply interested in this policy, and as they had determined, if possible, to digest a bill which would meet with favor, and be passed into a law, they refrained from affixing any such condition to the bill they now report.

“As to the instant effect of the two measures, Mr. W. said, he believed there would be little difference. The bill he held in his hand proposed to reduce a fraction over \$2,400,000, from and after the thirtieth June next. The other measure to which he had referred, as he understood it, proposed to reduce about \$7,000,000, at three periods stated, the first of which was the thirtieth of September next, and the only one of the three periods falling within the present year. That measure, however, was prospective, and this was not; but Congress would be again in session before that bill would have effected but one reduction, and the accounts of the treasury for another year would have been laid before us as our guide to future and further action. He would detain the Senate no longer.

“The bill and accompanying report was then read.”

CHAPTER LXII.

THE SUSPENSION OF THE BANKS, AND HARD TIMES OF 1837.

The year 1837 will ever be memorable as a time when the whole country, in almost the twinkling of an eye, was plunged from what, on the surface, appeared to be high, swimming prosperity, to deep gloom and fearful financial distress. Contrasted with 1836, it was appalling. The business of banking was a monopoly conferred by legislation. Numerous selected banks were the authorized depositories of the public moneys of the United States. The more these accumulated, whether from the customs or sales of the public lands, the greater their ability to lend. In proportion to the ease with which they could borrow money, men contracted debts. The mania for speculation commenced in 1834, continued through 1835, and was at its height in 1836, constituting a mammoth bubble which exploded in 1837, bringing ruin upon most of those engaged in or connected with it.

Men of all classes and pursuits neglected or abandoned their ordinary avocations, and plunged into the whirlpool of speculation. Many left the beaten road to prosperity and wealth, and eventually sank, with all their high expectations, in the treacherous quicksands of over-excited hopes. Fortunes were made with bewildering suddenness, but mainly by marking up the prices of speculation property. Debts were contracted with thoughtless ease, and, if paid at all, it was done by repetitions of borrowing. Men assumed a style of living which would soon prove ruinous, even to the rich. The maxim, that men contract debts when money is plenty and times easy, and pay them when cash is scarce and

times hard, was strikingly illustrated. They got into debt by purchasing property at high prices, and were compelled to pay them by selling it when low. Creditors seldom complain of such fluctuations in prices, as they usually profit largely by them.

The year 1837 presented to the world the sad spectacle of communities hopelessly in debt, some to vendors of over-valued speculative property, others to the banks which had encouraged thoughtless speculators, while the improvident banks owed the government for its deposits, which they were unable to pay. The banks, so willing to lend when money was plenty and easily obtained, ceased their accommodations, called in all they could, and struggled to sustain themselves; their debtors having, to a large extent, little or nothing to pay with other than speculation property, consisting mostly of western lands, recently bought of the government, and city and village lots, conspicuous principally on lithographed plats. With the exception of a small number, all the banks in the United States, through policy or necessity, refused to pay their debts in lawful money—blandly called “suspending specie payments,” thereby doing what, if done by a citizen, would be called defying their creditors, and throwing upon them the consequences of their own mismanagement. Bank paper fell everywhere ten or more cents on the dollar, while all the property in the Union tumbled down to a far greater extent. Suits, judgments and executions were more plenty than money. The financial crash was tremendous, and its effects extended to everybody. The number of those who had treasured up their means, to profit by the low prices of forced sales, was not great. But instances were known where sagacious and cautious men had, in this way, doubled and some quadrupled their property.

The financial storm came, made its wrecks, and caused countless ruins. Whose fault caused it and its consequences? Upon this point expressions differed more than

real opinions, while the victims who suffered never charged any portion of it upon themselves or their own follies. There are few, indeed, who so far undervalue their own skill and capacity in the transaction of business, and to such an extent as to charge their want of success upon their own mistakes. It is far easier and much more common to impute it to the government, or to a whole community, or absent individuals, from neither of whom denials or replies of any kind are ever expected. Some imputed the blame to Mr. Van Buren, who had been President but a few weeks ; others, to Gen. Jackson, who had retired to the Hermitage on the previous fourth of March ; but more charged it upon the democratic party, while the democracy insisted that it was the bitter fruit of overtrading, living expensively upon unrealized means, and generally "to the malign influence of wild and unregulated speculation."

It was during the existence of this state of things that Mr. WRIGHT used the columns of the St. Lawrence Republican, then the organ of the democratic party in the county of his residence, to address reflecting men of all parties on these subjects. His articles, seven in number, published editorially, were under the caption of "The Times." After the introductory article published on the 20th of June, 1837, one appeared every week in the successive numbers of that paper, which were extensively copied as the recognized productions of his pen. They trace the evils which afflicted the country to their true source. They produced a profound sensation on the public mind, and satisfied reflecting men concerning the origin of the evils they felt, although they failed to convince all who had been victims of their own inexperience, or want of judgment or business capacity, that they were at all in fault. These articles are full of wisdom and profound thought. But their great length forbids our copying them entire. We give copious extracts :

“THE TIMES.—No. 1.

*Causes of the Present Deranged State of the Commercial
Business of the Country.*

When evils surround us, and we are afflicted with misfortunes of every character, there is no rule of conduct more sound, more practical or more honest than that we should first seek for the causes of our calamities at home; that we should look to our families, our possessions, our friends and neighbors for the causes of our suffering. If we cannot find them here, then we may look abroad to strangers, to politicians, to governments, State and national, to the world at large, to see whether those who have not been consciously benefited or injured by us—those who know us not, and have not heard of us—have become the instruments of affliction and injury, acute or chronic, serious in extent and immeasurable in consequences, and whether the common inducements of friendship to work favor, or the propensity to inflict injury, which are the common and ordinary motives for extraordinary human action, whether good or evil.

Let us, then, for the *home* view of the deranged state of our commercial affairs. And among the causes which have presented themselves to us, as plain, practicable men, are the following :

Overtrading in that department of business purely commercial. That this cause exists to an extent beyond any former time, in this our young and hitherto prosperous country, will not be denied by any man of any employment in business, or any man in politics, when he sees, as reported in every department of the public press, confirmed by official documents from the treasury department of the nation, that the cost of our imports into the United States, for the last current year, have exceeded the value of our exports by the sum of more than \$60,000,000. To the speculations in lands, in stocks, in mines and minerals, in the produce of the country, and to speculations generally. In our village, for a time, our cautious men of business were reserved and prudent. Severe experience had taught them that the process of amassing wealth was gradual; that the legitimate profits of business bear some proportion to the capital employed, the skill employed in its management, and the labor and the adventurer. Their judgments, for a time, rejected

the rumors of fortunes made in a day, without capital, without skill, without labor and without risk, because the fortunate recipient of the favors of chance had nothing to risk. Yet, incident upon incident, and fact upon fact, appear to contradict their long and dearly-earned experience. A. and B. and C. made and realized their hundreds and thousands, and tens of thousands, who had never before been fortunate in the accumulation of property or the management of business. D. and E. and F., not particularly distinguished for their capital or business talent, were reported to have made their fives, and tens, and hundreds of thousands, and received a credit with the business men of the place, with their fellow-citizens of the county, and finally with the public, commensurate with the rumor of their gains and fortunes. The natural influence of this state of things began to be seen upon men of more capital, of more fixed business habits and permanent and constant occupations. It was seen that these enormous gains sprang from the soil upon which they had long lived and toiled, not in the shape of productions from that soil, not from the profitable use of those village lots and water-powers, and stores and wharves, and eligible sites, but from their purchase and sale with reference to some future and incalculable value, of which all seemed to be convinced with a confidence equaling the strongest self-interest, but the foundation for which sanguine confidence no one could or would explain. Rumor soon became fact. Fact overpowered experience and judgment, and all—the most sagacious and the most wealthy, as well as the most irresponsible and visionary — became infected with the speculating mania. Few purchased to use, and few sold who did not purchase; but all bought and sold, or *bought to sell*. House lots, store lots, tavern lots, water lots, streets, blocks, and village extensions in all directions, became the subject of conversation, of contemplation, of trade — of profit.

“3. The inordinate appetite created by this speculating spirit to acquire wealth, without labor, without economy and without time.

“4. The unnatural withdrawal of men from their regular trades, professions and callings, to devote their times and minds to speculations only, or to some employment which they do not

understand and for which they are not fitted, because they suppose it may open a shorter way to wealth.

“5. Too great a subtraction from productive labor and too great an addition to those callings which add nothing to the general stock of wealth, but are supported by the labor of others.

“6. The expensiveness and extravagance of living consequent upon the imaginary accumulations of large fortunes speedily and without labor.

“Are not these causes sufficient for the evils of which we hear so much complaint? And do they not conclusively prove that the origin of these evils is at home, is with ourselves, and not abroad or with others?

“If we look abroad for causes, shall we find them? A foreign war might derange the business of our commercial men; we have no foreign war. Our domestic disturbances with the Indians within our borders are ended, and no one supposes they have contributed to our commercial derangements. We are at peace with all the world.

“The causes of our troubles, then, are not foreign, but domestic.”

“THE TIMES — No. 2.

“The Causes of the Present Embarrassments of the Banks, and the Necessity (if necessity there be) for their Suspension of Specie Payments.

“The discussion of the first part of this inquiry might be answered by a single short sentence, and that answer would be *overbanking*. But the importance of the inquiry requires an examination of facts connected with our banking and currency. In the winter of 1833–34, the great panic effort by and on behalf of the late Bank of the United States, for an extension of its charter, was made in Congress and throughout the country. The effort was made in the midst of winter, when the frosts lock up the channels of communication and transportation at the north, and when there is an almost entire suspension of active commercial business at the south. The effort was to alarm the public mind for the safety of our moneyed institutions, of our currency, and consequently of our trade and commerce. It was especially directed against our local banks and commercial men, because it

was supposed that embarrassment and derangement in those quarters, at the moment of the expiration of the charter of the national bank, would most conclusively prove the indispensable necessity for such a giant money power. The season was well selected and the points of attack well taken, but the time was not one of pressure, but of plenty; not one of scarcity, but of profusion; not one of depression, but of prosperity. The public mind, notwithstanding, did become alarmed and excited. The fears of many, and the indignation of more, were aroused, and the contest, for a time, was heated and violent beyond any excitement of a purely domestic character known to our history. Still that was a mere panic. The credit and business of some were seriously injured, but many were more frightened than hurt, while this great good was extracted from the intended evil.

"The local banks were compelled, from the distrust produced, to examine their conditions, to contract their operations and strengthen their defenses. Their issues were curtailed to an immense amount during the four or five months which the panic lasted; their debtors were stimulated to payment, their means compacted and the institutions placed in a sound and healthy condition.

"The spring opened and the business season returned. The senses of every man proved to him that the alarm had been groundless, and that, instead of bankruptcy and ruin and solitude and desert waste around him, the whole country was overflowing with every production, prices were fair, the markets quick, the seasons prosperous, the moneyed institutions safe and guarded, and the currency as equable and retaining as strong confidence as any paper currency which had ever circulated among the people. The natural consequence of this sudden change which was wrought upon the minds and senses of the community, even while Congress were daily assembling in the capitol to mourn over the national calamities, was an abandonment of panic memorials, meetings and resolutions, and a return to business with renewed energy and increased enterprise. During the twelve months immediately succeeding, wealth was accumulated by our citizens with a rapidity and ease never known before in any country. The banks were enabled to furnish the

trading and commercial classes all the aid they required, and to find yet a large surplus, of the means at their command, uncalled for and unemployed. Banking, too, was prosperous and profitable, and those who were not interested in the existing institutions sought for and obtained new charters, that they also might compete for the golden harvest of bank dividends. In this way the surplus of bank means and bank facilities, beyond the wants of trade and commerce, were indefinitely increased, while public confidence in banks, fresh as they were from the ordeal of the panic, remained almost wholly impaired. * * * Now and then a statesman of thought and experience would dare to speak of the dangers of excessive banking; of the necessity of a more broad and permanent specie basis for our large and rapidly increasing paper circulation; but such exploded opinions brought down, at once, upon his devoted head, the formidable charges of *loco-focoism*, visionary theorizer, silly advocate of an *exclusive* metallic currency in a commercial country, follower of the *ultra-**isms* of the day.

"Money was cheap and credits were liberal. The banks could answer all applicants whose business authorized their applications, and wanted yet more customers. This impetus, so suddenly communicated to the current business of a whole country, soon imparted its influence to those descriptions of property which, in ordinary times, are more permanently held for use or investment, and a general appreciation in the market was the consequence. Stocks took the lead, * * * in the operators in these transactions the banks found customers. * * * The banks had means which the merchants did not want, and those means were dispensed liberally in discounts and loans to the dealers in stocks.

"Houses and lots in the cities and villages next felt the influence of this general appreciation of property. * * * Purchasers for the market, for speculation, for an advance of price, ruled the hour, and operators were as regularly patronized by the banks, as the most regular dealers in merchandise or the stocks. When this proved to be true, the banks were no longer troubled with a surplus of means, but, on the contrary, found a surplus of customers. Two natural and unavoidable consequences followed. The banks made large dividends, and the

demand for money, and its market value, constantly increased. These facts were made to prove conclusively the want of more banks, and more banks were regularly granted at the annual sessions of almost all of the State Legislatures. The excitement became a perfect mania, and diffused itself throughout the whole land. Our large cities were extended, in imagination, in all directions, until their dimensions exceeded those of any town in the known world; and every village became a city, upon paper, both in extent and business importance, as well as in the fancied value of lots. Plots were purchased for new cities.

“This new and enlarged scale of speculation added new strength to the already accepted proof of the necessity of more banks, with increased capitals; and also demonstrated, to the entire satisfaction of the interested, that the capitals of the existing country banks were altogether too small, and ought to be increased.

“The whole republican party was charged, from day to day, with hostility to the best interests of the country; with opposition to their own best interests, in blind zeal in the support of Gen. Jackson and his measures, against friends, and home, and country. In vain, then, we predicted the dangers to flow from overtrading, overbanking, and mad speculation.

“Our evil predictions are already more than realized, and no man can now be found who regrets that we have not had more banks; while the great mass of our voters, if permitted to speak, would profoundly regret that we ever had any. The false bubble of speculation has now burst, and, thanks to the wisdom, and foresight, and patriotism of the republicans of our country, finds us less embarrassed than those who have reaped more industriously from the abundant harvest of the excesses of the ‘credit system.’

“A further class of customers to the banks, who have contributed not a little to their present embarrassments, are the directors and officers of the banks themselves, many of whom have entered largely into the stock and land speculations, and all the overtrading, the lumber speculations and all the other excesses of the times; while others, and we fear not a few, have diverted the means of the institutions of which they have had the charge, since the present pressure commenced, to the shaving operations

which the high price of money has invited, instead of regular discounts to their customers, which the necessities of the times have required.

"From this history of the times we conclude that the causes of the present embarrassment of the banks are:

- "1. Overbanking to legitimate customers.
- "2. Unreasonable loans to stock brokers and stock dealers.
- "3. Unrestrained loans to speculators in city and village houses, lots and other real property.
- "4. Unrestrained loans to speculators in real estate generally, such as farms, proprietary rights in our own State, government lands in the western States, timber lands in Maine and Canada, and the like.
- "5. Loans to their own directors and officers, to the injury of their legitimate customers, the commercial community.

"6. An excess of banks, inviting to these excesses; and banks granted to persons who had no money to invest, but wanted money to use, or the stock of a new bank to sell at a premium.

"It remains for us to inquire for the necessity (if necessity there be) for the suspension of specie payments by the banks.

"Every bank is chartered with peculiar and invidious privileges, privileges not granted except to incorporated banks, and expressly prohibited to the citizens of the State by a highly penal law. In exchange for these privileges they are subject to certain reasonable and mild liabilities, the most severe of which is that, when they exercise the high and sovereign privilege of issuing their notes to the people as money, as currency, they shall, at all times, be ready to redeem those notes on demand with gold and silver. This liability is enforced by their charters, upon the pain of an immediate declaration of insolvency and forfeiture of all their chartered privileges. All banks, therefore, which have refused to redeem their notes in specie are, *prima facie*, insolvent, notwithstanding the Legislature have temporarily relieved them from the forfeiture of their charters.

"Every bank in the State, with perhaps one or two exceptions, has refused to redeem its notes in specie.

"Whence, then, the necessity of the suspension of specie payment on the part of those not insolvent? Is there any other

answer than that their customers cannot be sustained without further accommodations; and that while some of the banks must suspend specie payments, or stop altogether, they cannot continue specie payments and afford the accommodation these customers require? We see no other possible answer to this inquiry. When, then, let us inquire, are these customers for whose benefit the community are to be visited for a day, a year, or any longer period, with an irredeemable paper currency? They are:

"1. Merchants who have overtraded.

"2. Stock brokers and stock dealers who have made bad bargains and let them rest upon their hands.

"3. Speculators in city and village houses and lots, and other real property, who have purchased and failed to sell while prices were up and markets were open.

"4. Speculators in real estate, generally, who have gone beyond their capital, and depended upon bank loans to bear them out against the hazards of purchasing farms and wild lands for resale.

"5. The directors and officers of the banks, who have accommodated themselves with the means of the institutions in their charge, and do not find it easy to pay.

"6. The managers of such new banks as have found it convenient to take out, in the shape of loans, the very money which the charters compelled them to pay in, as capital, at the very earliest meetings of the board of directors, for discount, and who do not find it convenient to return the amounts.

"We shall leave it for others to attempt to show, if they choose, the benefits to community, or to any possible interest, other than that of the stockholders, directors and officers of a bank, which is, in fact, insolvent, suspending specie payment for a year, whether by permission of law, or otherwise."

“THE TIMES.—No. 3.

“ The Agency, if any, of the late Treasury Circular, demanding Gold and Silver in Payment for the Public Lands, in Producing the Present Commercial Derangements and Bank Embarrassments.

“ In two former articles we have pointed out what we consider to be the prominent and controlling causes of the present derangements in the commercial business of the country, the causes of the present embarrassment of our banks, and of the necessity (if necessity it can be called) for their present suspension of specie payments. Those articles contain a general history of the overtrading, overspeculating and overbanking of the last few years, and it only remains for us now to show the connection between those dangerous business excesses and the treasury circular in question, and then to point out the influence which that measure must have had, so far as it can have any influence, in bringing about the present state of things in our monetary affairs.

“ First, then, for the connection between overtrading, overspeculating and overbanking and the order in question, and here we must give a brief sketch, as our limits will not permit us to give a history.

“ Congress adjourned on the 4th day of July, 1836, having passed an act regulating the public moneys in the State banks, and making imperative that disposition of all money then in the treasury, or which should thereafter be received into it. Previous to the passage of that act, the system of deposits with the State banks was one resting upon executive order only, and, therefore, subject at all times and in all things to executive discretion. This law, we do not say improperly, limited and restrained that discretion, while it made the duty of depositing with these institutions compulsory.

“ During the two years prior to the passage of this law, the public revenue, both from customs and lands, had been undergoing a process of accelerated accumulation not less astonishing than frightful. Astonishing, because the receipts of single years more than doubled the estimates of the most faithful and com-

petent fiscal officers, as well as the most experienced and sagacious statesmen; and frightful, because the receipts from customs furnished demonstrative evidence of the most excessive overtrading, while the receipts from lands afforded equally clear evidence of a state of speculation in the public domain still more excessive and dangerous.

“The national debt had been finally extinguished by the surplus revenues of 1834, and of previous years, and the economical expenses of the government was the measure of the wants of the treasury. The accumulation of money in the banks, not wanted by the treasury for immediate use, had become alarming. The amount on deposit on the 1st of January, 1836, according to our present recollection, was not short of \$40,000,000, and the receipts from both customs and lands, from the first of January to the first of July of that year, promised an addition to the former accumulation in the banks, which would make the safety of those institutions, consequently their management and operations, matters of the deepest concern to the treasury of the nation, to its financial movements, and to the vast amount of the property of the people intrusted to their safe-keeping.

“The adjournment of Congress, to which we have referred, had taken place without any action of that body upon the repeated and varied recommendations of the President for the reduction of the public revenue from both customs and public lands; the adoption of a system for the distribution to the States of the surplus, over five millions of dollars, which should be found on deposit on the 1st of January, 1837, being the only legislation touching that great interest.

“In the mean time, such had been the fruits of overtrading and speculation, that the customs, alone, promised to yield from twenty-four to twenty-five millions for the year 1836, while the speculations in the public domain had become reduced to a system, and, added to the sales for settlement, and to the enterprises of individual speculators, associations were formed and forming of every imaginary amount of capital, counting from single thousands to millions, and extending their stock interests to every considerable town and village in the country, and their speculations to every point where public lands were open for sale, and

perhaps we might say, with equal truth, to every point where the Indian title had been extinguished, or was about to be extinguished, until, from an ordinary average of about three millions, as the avails to the treasury of a year's sales of the public lands, the receipts of 1835 were more than fifteen millions, and those of 1836, unless restrained by governmental action, promised to be nearer thirty than twenty-five millions.

“Immediately upon the adjournment of Congress, the President, justly alarmed at the rapid and fearful progress of overtrading and excessive speculation, examined the facts in relation to the payments made for the public domain, and found that the established process was a mere exchange of those valuable and selected lands for bank credits, rendered vastly more doubtful and hazardous by the immense amounts of the national treasure accumulating in the deposit banks. An ordinary certificate of deposit in favor of the Treasurer of the United States was the only consideration appearing at the treasury for millions of acres monthly conveyed to purchasers. The examination showed that these certificates were mere indorsements of credits from individuals to banks and from one bank to another. No real capital or currency of intrinsic value was found to enter into any part of the operation, but the speculator executed his note to some bank, with indorsers to the satisfaction of that bank; that bank, upon the strength of the note, issued its certificate of deposit in favor of the properly located deposit bank, and, upon the strength of that credit with another banking institution, the deposit bank issued to the receiver of the proper land office its certificate of deposit in favor of the national treasury. This certificate, which entitled the holder to the land thus paid for, was of precisely the same, and no greater, validity than the same amount of the notes of the bank issuing it; and this was the payment to the nation for its most valuable domain, at a time when the public treasury was not in want of means, but was overburdened with the possession and safe-keeping of millions, which, during the following year, were to be distributed to the States to get rid of them.

“In the absence of legislation, and during the recess of Congress, the President was left to apply to this great and alarming

and constantly increasing evil such remedy as the executive power of the government could apply, which was partial and limited. The law declared that nothing but gold and silver should be a tender in payment of debts due to or from the United States, and the receipt and disbursement of bank credits, in the shape of bank notes, in any department of the public service, was mere matter of sufferance and convenience, and not of law. To compel the entry of real capital, or its equivalent in a currency of intrinsic value, to enter, at some stage, into these land speculations, the President directed the treasury order in question, and the exception in the order in favor of settlers is a sufficient record evidence that his object was to check speculation, and not to impede the settlement and improvement of the lands. This order required payments in constitutional and *statute* currency, for lands, after an early day, named in it, from all except settlers, and from them after the 15th day of December, 1836.

“That the order of July has had the effect to arrest and almost put a stop to further speculations in the public lands we most cheerfully admit. * * This result has directly benefited commerce, by arresting that fearful drain of capital, which was so rapidly commencing, from the old States, and especially from the commercial cities, to seek investment in the immense public domain of the nation.

“It has benefited business generally in the same way, and also by drawing back the attention and energies of a vast number of our most enterprising citizens, who were carried away by the mania, to their farms, their merchandise, their professions and callings, and to a preparation, so far as the means may be left to them, to meet this day of trouble.

“It has directly benefited the banks, by stopping their loans to speculators in real estate, and thus adding to what is now believed to be no inconsiderable proportion of their means locked up in lands, if not dependent upon the success of a doubtful speculation.

“Now for the influence of this order upon the present commercial embarrassments: It has not induced the merchants to contract debts beyond their power to pay; but, on the contrary, it should have been a timely caution to them against incurring

obligations to be discharged by the precious metals only, when they were notified by it of this increased domestic demand about to be made. Had not the merchants overtraded to the amount of over sixty millions in a single year, their necessities for gold and silver for exportation would not have been thus severe and ruinous, nor would our banking at home have produced a counter-necessity for the precious metals much more imperious than any which can grow out of transactions between merchant and merchant,—the necessity for a restoration of the prostrate currency of a whole country, deranged, distrusted, depreciated, by the inability of the banks to pay specie for their notes. The order, then, has been a positive benefit, in so far as its influence has gone to restrain overtrading and overbanking, two of the severest evils under which we now suffer. We have already enumerated, as benefits to the public from this order:

“The arrest of the immense drains of capital from the commercial cities and old States to the west and south, to be invested in lands;

“The breaking up of the speculations in government lands; and

“The consequent return of the attentions and energies of the enterprising speculators to regular, productive labor in their several professions and callings.

“We now add another benefit of the order, which, at the present time, will be more properly estimated by the community in consequence of the present condition of the currency. We allude to the direct and powerful tendency to retain the gold and silver in the country, and prevent their exportation. This influence is exerted by creating a demand for the precious metals as strong as the desire of our emigrating population from the old States to establish for themselves homes upon the public domain; and, by contracting, not the laws of trade and commerce, or of currency, but a necessary consequence of overtrading, the tendency of all the gold and silver of the country to the great seaports for exportation, to pay that excess of foreign debt contracted by the merchants which the productions of the country are insufficient to pay. This is the true version of the action of that order, about which its opponents so much and so loudly complain, and which they term a violation of the laws of commerce. Before the suspen-

sion of specie payments by the banks, the people may have been confused by this jargon about the laws of commerce, principles of trade and natural flow of currency; but now that the banks themselves have declared the insufficiency of gold and silver in the country to form a safe basis for our paper currency, and have been compelled to let that currency sink for the want of this vital, sustaining principle, it will not be easy to convince the plain common sense of our freemen, that the measure which has been more instrumental in retaining with us the little specie we have than all the other acts and measures of the government — State or national — of banks, or of individuals, is the greatest cause of our want of specie to enable the merchants to pay their debts, or the banks to fulfill their promises and redeem their notes. The day is too late for such contradictions and gross absurdities to gain credit with the people; and, as in many former instances, the wisdom, policy and justice of this measure of the venerable statesman who was its author are demonstrated, vindicated and exalted by the mad perseverance of its opponents in their measures persisted in to prove him wrong. The laws of trade draw our gold and silver to foreign countries to pay the unwisely contracted debts of our merchants; this *execution* of the laws of our country by Gen. Jackson draws these precious metals to and retains them within our own limits to purchase farms and houses for our citizens.

“The time was when it might have been very difficult to cause the correct conclusions upon this part of the subject to be received by the public, because the merchants, speculators and the bankers, the only classes of persons whose business brought them to a necessary acquaintance with the true action of the order upon the banks, were interested in producing erroneous impressions, that they might charge to the order whatever evil consequences should flow from their own monstrous excesses. That time has passed, and the whole people can now see what has been done and to what condition we are brought.

“Have the banks been influenced by this most healthful and proper caution, constantly given by the action of this order, and curtailed their business? If they have not, the merchants and borrowers from the banks have had no cause of complaint in

consequence of this tendency of the order, because they have had constantly all the loans the banks were disposed to let them have without reference to it. If the banks have curtailed their accommodations in consequence of the safe and salutary tendencies of the order in this respect, have they done so to an extent beyond what prudence and safety required? If they have not, then again the merchants and borrowers from them have no right to complain, because, notwithstanding the curtailment, they have continued to enjoy a greater amount of accommodations than the banks could extend with prudence and safety. Let, then, the present condition of the banks answer our inquiry. The doors of all, comparatively speaking, in all quarters of the country, are closed against the redemption of their bills. To this extent they have declared their own insolvency. And why have they done it? Is it not because they have loaned beyond their means and relied upon their debtors for aid when aid should be required, and that those debtors cannot or do not pay? Can any other reason be assigned for their suspension of specie payment? Most certainly not. Then they have overbanked. They have extended accommodations beyond their own means, and upon responsibilities which do not answer them in their time of need.

“And let us recollect again, here, that every dollar of specie paid under the order, by positive operation of law, goes immediately into the vaults of some bank, and that the necessary action of the order, therefore, is, the collection of gold and silver from the purchasers of lands for deposit in the banks; and then, when we all know that all the banks, deposit banks as well as others, even with direct aid from the order itself, cannot redeem their notes with specie, can we listen to the complaints that the tendency of this order has been injuriously to restrict banking? Let the farmers, the mechanics, the laboring classes of the country, who have the avails of this labor in irredeemable and inconvertible bank paper in their pockets, answer.”

“THE TIMES.—No. 4.

“The Probable Continuance of the Suspension of Specie Payments.

“The discussion of this question involves points of delicacy of which, we trust, we are not insensible. We can say with perfect trust, however, that no hostility to any banking institution in the State or country, and no prejudice against banks generally, leads us to the discussion; but a strong sense of the duty we owe to our readers, as the conductor of a public journal, requires this notice at our hands.

“Three distinct interests will be found to be involved in the decision of the question.

“1. The interests of the banks themselves.

“Under this head we trust that we may assume one position, without the apprehension of contradiction or question from any quarter whatsoever, and that position is, that it is the interest of every bank to continue the suspension of specie payments so long as they can keep their credit so as to make their notes current with the community as money. The incorporated banks have vast privileges, and still more important exemptions. Their privilege of issuing, by express authority of law, their paper promises to pay gold and silver on demand as currency, to take the place of gold and silver in the hands and pockets of the people, is nothing less than the delegation to them of one of the most delicate, important and responsible prerogatives of the sovereignty of any civil government. Their exemption from liability to pay any description of their debts, beyond the mere amount of stock paid into the bank, is an invidious privilege to these artificial corporations over those extended to natural persons, the citizens and freemen of our country, which would startle every honest mind, not familiarized, by custom and use, to this legislative preference for soulless paper existences over the persons of God's creation, with hearts and souls and consciences, and at least some sense of moral obligation. The only real consideration to the community for this privilege of creating a currency on the one hand, and an exemption from liability for the most just debts on the other, is the simple and most j

obligation to pay on demand *at the banking-house* the gold and silver for their promissory currency, their bank notes, which are mere promises to pay gold and silver. When this obligation is discharged by legislation, or the voluntary action of the banks, the people lose wholly their slender equivalent for one of the most important rights surrendered to these corporations; the institutions are discharged from their only onerous responsibility, and what is called currency is the mere form of a promise to pay, most tastefully executed, without any intention on the part of the promisor to pay, and with the knowledge on the part of him who receives the promise as money that it will not be paid.

"The bank which issues notes which it cannot redeem in specie, while the obligation to pay specie imposed by its charter remains annulled by legislation and unrevoked by the bank, practices a fraud upon the public, for which a natural person would be convicted of the crime of swindling, and have a cell assigned him in some one of the public prisons provided for the punishment of high crimes against the peace and safety of civil society; but the bank which issues bills, after its obligation to redeem them in specie has been revoked by itself, in a public declaration, persisted in by its practice, or annulled by legislation, is guilty of no fraud against the public or individuals. It is true the bank promises to pay; but it declares before the promise, and that declaration is made known to him who receives the promise, that it will not pay. He, therefore, cannot complain that the promise is not fulfilled, who was told, before it was given, that it would not be fulfilled.

"Such is the present relation between the banks of this State and the people, produced by the published declarations of the banks that they would not redeem their notes with gold and silver, and the law of the Legislature exempting them from the severe penalties imposed by their charters for this act of faithlessness to the community.

"Who can, then, doubt the soundness of the position with which we set out, that it is the interest of every bank to continue the suspension of specie payments to the latest hour at which they can sustain their present credit and the present circulation of their notes without these payments?

“Are we not, then, safe in the conclusion that, so long as the banks are actuated by their own interests, a return to specie payments is not to be looked for from them as a voluntary movement, while they can continue to furnish the circulating medium for the people, without the redemption of their notes in specie? We confess the conclusion appears to us to be perfect demonstration.

“We next propose to consider

“2. The interests of the customers of the banks.

“These are three classes, viz.: Men engaged in commercial and mercantile pursuits, manufacturers, mechanics, and all other classes of citizens, whose regular callings make them legitimate borrowers from banks to carry on their business; men engaged in speculations of every description; and what may, perhaps, properly be termed miscellaneous borrowers. To whatever extent either of these classes of citizens may now be indebted to the banks, and require an extension of their credits, to that extent they must be interested in the postponement of the day for the resumption of specie payments, inasmuch as curtailment of accommodations and collection of debts must precede resumption. The men engaged in commercial and mercantile pursuits have overtraded to an enormous extent. The foreign debt against them is, therefore, large; millions upon millions beyond the value of the productions of the country seeking a foreign market. This balance must be paid in a currency of intrinsic value, or must be postponed until an excess of productions over importations shall meet and cancel it. Under these circumstances, what is the strength of the claim of this class of creditors of the banks to that indulgence from the people which shall impose upon them a discredited and depreciated currency for a length of time, that this balance of an excessive foreign trade may be wiped off, by the exportation of the balance of gold and silver yet remaining in the country?

“We know that the derangement of the times, occasioned by the mad speculations, must, in a greater or less degree, extend its influence to regular dealers and business men, who have kept themselves aloof from the passions of the day; but the law of the Legislature gives to such twelve months to separate them-

selves from the speculations, to contract their business, to **con-**
centrate their means, and pay or arrange their liabilities to banks
and others; and, during the time, taxes the whole community
with the derangements, obstructions and losses, to be experienced
in every branch of industry and every department of business,
from an inconvertible and depreciated currency. Is this a libe-
ral time for the whole people to suffer for the benefit of a few?
And when the present depreciation of the paper currency, from
ten to twelve and a half cents upon every dollar, is estimated, is
it not a sufficiently liberal tax for the people to pay to relieve
the commercial and mercantile classes?

“ The same remarks, substantially, are applicable to manufac-
turers, mechanics and all others, who are legitimate borrowers
from banks to carry on their business, and the same conclusion
must therefore be applied to them also.

“ If such are the claims upon the community of commercial
men, merchants, manufacturers, mechanics and other useful
classes of citizens, what must be said of simliar claims when
pressed by mere speculators; men who substitute cunning for
capital, and deception for skill in any trade or profession; persons
whose object as well as occupation it is to unsettle the regular
order of business, the established value of property and the set-
tled judgment of men? Have they claims to sympathy or for-
bearance? Have they a right to ask the whole people to endure
a deranged and depreciated currency, for a protracted period,
that they may realize the golden harvest they have anticipated
from their bold progress in mischief? *We* do not see the merits
of **such** a claim from such a source.

“ 3. The interest of the people in this question.

“ For the last six or seven years, the people of this State,
through their representatives in the Legislature, have been much
too indulgent in yielding to the cupidity of individuals, and the
personal and unwearied solicitation of the interested local bank
charters, and the mischiefs resulting from that mistaken lenity
are now visiting themselves upon us with a severity which usually
pursues any criminal laxity of vigilance in a popular government.
Almost from the commencement of our governments, State and
national, banks have been incorporated by legislative authority,

and, by the powers and privileges granted to them, have been made the practical trustees of the currency of the people. As we have receded from the days of the Revolution, the sufferings of that period, and one of the most severe among them was depreciated paper currency, have become dim in the recollection, and in just about this proportion we have increased our banks and our paper circulation. But one revulsion of a general character, anterior to the present time, has overtaken us in this career of substituting credit for money. That revulsion, much less general and severe than the present, was occasioned by the worst of all calamities, a foreign war and a barren treasury ; and was made imperative, much more by the wants of the national treasury and its calls upon the banks for support, than from any exigencies growing out of the private and ordinary transactions of the banks themselves. In consequence of this the banks were countenanced and sustained by the people in their suspensions of specie payment. Then the choice for the people to make was between the preservation of their soil and their liberties, assailed by a most formidable foe, and the preservation of their currency, impaired to support the government in an arduous struggle.

“Now we have a revulsion, entirely universal, and that immediately succeeding a period of prosperity such as no country on the face of the earth ever before experienced, and without any national calamity, of any character whatsoever, preceding or accompanying it, with which it can be in any possible way connected. It has proceeded wholly from overtrading, excessive speculations, and all sorts of extravagance, consequent upon excessive banking and the cheapening of credits in every department of business. All banks have suspended specie payments, and we have an inconvertible paper currency, depreciated, upon an average, full ten per cent below the par value of money.

“This is the injury under which the people now suffer; and its necessary consequences, an instability in the prices of property, to the great depression in value of property generally, and the perfect uncertainty whether that which is currency, is money, to the citizen, when he goes to his rest at night, may not be valueless paper when he arises in the morning, attend this derangement of our currency much more closely and extensively than

upon any former occasion, because the causes now apparent for this suspension by the banks are so insufficient to excuse the course pursued.

“All this being done and suffered, we say the people should command an immediate restoration of specie payments. Not a day more should the continuance of the suspension be suffered. Members should be sent to the next Legislature whose principles and opinions are with the people upon this point.

“Let, then, the banks now know that that act of suspension is the last, and let them and the next Legislature be prepared for the expiration of that law.”

“THE TIMES.—No. 5.

“The Duties and Responsibilities imposed upon the National Government by the Suspension of Specie Payments by the State Banks.

“The duties and responsibilities of the federal government, in this as well as in other respects, must be measured by its delegated powers, and it will, therefore, be proper for us to look at the extent of those powers before we attempt to prescribe the duties or impress the responsibilities upon our public servants.

“The Constitution of the United States is the charter of the powers and privileges conferred upon the government of the United States; it is the only charter of powers or privileges which has ever been granted by the people or the States to that government. To that instrument, therefore, alone, we have to look for the powers after which we seek, to determine the extent of the present discussion.

“In the fifth clause of the eighth section of the first article of the Constitution of the United States, among the powers conferred upon the Congress of the United States, we find the following: ‘To coin money, regulate the value thereof, and of foreign coin.’ This is every word we find in that instrument conferring upon Congress any power whatsoever over our coin or currency. The power here conferred is full and exclusive *to make the coin and declare its value, and to declare the value of foreign coins*, and here it ends. Nothing is found relative to the regulation of the

currency, any farther than that currency consists of coins, and not one word as to the regulation or equalization of our exchanges, foreign or domestic.

“We, therefore, repudiate and reject, from our consideration of this topic, all the modern ideas of our political opponents, and perhaps of some of our political friends, as to the duties of the federal government in relation to our currency, and of the exchanges between the States. These are new doctrines, which have grown up with other imagined necessities for a national bank, and, indeed, constitute the essence and root of all the arguments out of which such an institution, under our system, ever has grown, or ever will be produced in future. All the reasoning, heretofore, in favor of a national bank has been drawn, not from the Constitution, but from expediency; not from any grant of power, but from supposed implication to almost every important power conferred upon Congress. If all the reasons ever urged be carefully examined and traced to their proper source and bearing, they will be found to result in the position that it is necessary or expedient, or both, that Congress should assume upon itself the regulation of the currency of the States generally, and also the regulation of exchanges between them. All this field of discussion we exclude from our consideration of the present subject, with the declaration that Congress has no power to do these things by the Constitution; that Congress has never done them, and that Congress cannot do them.

“We do not intend, upon the present occasion, nor is it necessary for our purpose, to express an opinion, or enter into any discussion, as to the extent of the powers of the State Legislatures over the collection of debts within their respective limits, or how far they may authorize, establish and regulate, either through the instrumentality of banks or otherwise, a practical currency within their jurisdictions and for their citizens, provided their regulations for any of these purposes do not violate the prohibitions upon the States to be found in the tenth section of the first article of the Constitution.* It is sufficient for us that

* “No State shall coin money, emit bills of credit, or make anything but gold and silver coin a tender in payment of debts.”

the power of Congress over the currency of its own creation and regulation is confined to the collection and disbursement of the public revenues, and that no branch of the federal government has the power to make even coin a currency binding and obligatory upon the citizens of the several States for any other purpose, or to prescribe to them a currency for any other uses.

“If the regulation of the currency within and between the States be not within the constitutional power of Congress, it will scarcely be contended that the regulation of the exchanges between the commercial cities, a mere use of currency, is conferred by the power ‘to coin money, regulate the value thereof, and of foreign coin.’

“The power of Congress, then, over the currency and domestic exchanges of the country, is confined to the collection and disbursement of the public revenues, and consists in the power to prescribe in what currency those revenues shall be received and paid out.

“That the only currency known to the Constitution is a currency of intrinsic value, a metallic currency, a currency of coin according to the value placed upon it by Congress, is a fact too plain for contradiction or question. Congress derives no power, from that instrument, to make, to establish or to regulate the value of any other currency, nor is anything else recognized therein as *money*.

“From these facts it results, as the most plain and obvious duty of Congress, that he who has a demand against the federal government in ‘money’ should be paid that demand in *money*; or, if in any other medium of exchange, that that medium, whatever it may be, should be equivalent to ‘money,’ equivalent to coin, as the value thereof is regulated by Congress.

“The revenues of the federal government are derived directly from the people. They pay for the public lands which are purchased, and they purchase and consume the foreign dutiable goods which are imported. From these sources the national revenues are received into the treasury, and hence arises another imperious duty of every department of the national government, viz.: The duty of adopting such measures, in reference to the national

finances, as can be adopted consistently with the constitutional powers conferred upon them, and are best calculated to furnish to the people a solvent, equable and stable currency in which to pay those dues and taxes.

“Duties to the government constitute an ingredient of price in the demand of the retailing merchant for imported dutiable merchandise, and upon those duties, as well as upon the original cost of the goods, the consumer has to pay the ordinary mercantile profits of the importer, the jobber and the retailer. If, added to the duties, there is a discount upon currency, that too must constitute a new ingredient of price, upon which the same series of profits must be added, and all must be paid by the consumer. This addition to the intrinsic value of his purchase does not confine itself to a single ingredient of the selling price, but covers the whole, and is to be added, to that extent, upon every and all charges which shall enter into the seller's value. Can there, then, be a stronger or more palpable duty of the government, than that, so far as this influence of its action is concerned, the consumers of foreign imported merchandise, who are the great mass of the people of the country, should be relieved from a most formidable tax, in the shape of an extensive depreciation of the currency first, and of the various mercantile profits upon that ingredient next, to the selling prices to the consumers?

“This view of the subject is strictly applicable to consumers of imported dutiable goods, because they must be paid for in a medium equivalent to specie, and because the consumer is the final payer of all costs and charges, including the duties to the government and the losses consequent upon the depreciation of currency, if such loss is sustained by any one.

“The same duty, upon the federal government, is equally imperative as to that portion of the public revenue derived from the sales of the public lands, from another consideration. The lands are the property of the whole people. In the cession of them to the United States by the several States, they were pledged to meet ‘the general charge’ upon the people, and in their sale, therefore, every citizen has an interest in the direct proportion to his liability to taxation, direct or indirect, to sup-

port the government and pay the debts and expenses of the **nation**. The price of the lands is fixed by law at one dollar and **twenty-five cents** per acre, and every acre sold should relieve the **tax-payers** of the country from that amount of charge. But if **the** lands be sold for a currency depreciated at the rate of ten **per cent**, the people lose one-tenth of their property in the lands **sold**, which loss they must make up to the national treasury by **direct** or indirect taxation. Hence the obligation upon Congress to **protect** the currency, so far as it may be within its constitutional power to do so, is not less, arising from this than the other **great** branch of the public revenue.

“Another duty, equally imperative upon the government and **much** more interesting and important to the people, is that of a **paternal** guardianship over the rights and interests of the **governed**; and one of the most vital among those rights and interests, **the** protection and preservation, by all the ways and means in its **power**, of the integrity, stability and value of other currency. **The** duties of the government of which we have heretofore **spoken** are partial and limited, and extend only to particular **interests**. This is general, and covers every interest of every **citizen** relating to property, whether public or private, local or **general**. The two former connect themselves immediately with the **interests** and action of the federal government, and the appeal, **as** to them, is more appropriately made under this head. This is **universal**, and therefore addresses itself to all public servants, **however** constituted and under whatever government, State or **national**, and by whatever authority they may hold or exercise **their** trusts.

“That the power exists to require that the currency of the **national** treasury shall be according to the value of the currency **created** and regulated by Congress, under the express grant of **power** contained in the Constitution, no one, we trust, does or **can** doubt. It is the constant and continued and unvaried **exercise** of that power which we ask, and nothing more. As one of **the** people, we think we have the right to ask, nay demand, this **at** the hands of our public servants, and we do demand it. The **direct** benefits will be to save us from loss in paying our **exactions** to the government and in the sales of our public lands; and

the consequential benefits, in the influence to this course on the part of Congress will exert upon the legislation of the States and upon those who now control our currency through the means of the local banks, will be all-sufficient, at an early day, to restore our currency to what it has so lately been and what it ought to be.

“Among the responsibilities of the federal government, that of keeping safely the moneys collected from the people, so that they may be ready, at the calls of the public treasury, without subtraction or depreciation, stands prominent. At periods when a proper relation exists between the revenues collected and the wants of the government for expenditures, this responsibility may be discharged without difficulty or danger; but, when overtrading in foreign merchandise, or overspeculation in the public lands, swells the sources of revenue greatly beyond the wants of the government, it becomes one of great difficulty, delicacy and hazard. The evils which destroy the equilibrium tend necessarily to impair the safety of the ordinary and natural depositories, the banks of the States, and offer temptations to unfaithful guardians, should such be selected.

“Another responsibility resting upon the national government is that of guarding and preserving, even beyond the reach of just suspicion at home or abroad, the credit of the United States as a body politic. This high trust can be but very imperfectly discharged, and cannot be discharged at all to the benefit of the people, for any length of time, with a disordered and depreciated currency sanctioned by its authority.

“It is important for us to notice but a single provision of the law [the Deposit Law of 1836], and that provision is, that no bank note shall be received in payment of dues to the government, or paid out in discharge of debts due from the government, which is not convertible into gold and silver coin at the will and pleasure of the holder.

“Under this law, with this provision incorporated in it, all the existing banks accepted their high trusts to the government and people of the country and received some forty millions of the public treasure; and yet, strange to tell, before a single twelve-month had passed away, they all refuse to pay gold and silver

for their notes. Nay more, and farther and worse, they even refuse to pay the government anything but their own irredeemable bank notes, which the law above mentioned prohibits the officers of government from either receiving or paying out, for the millions intrusted to their safe-keeping. Still farther: the drafts of the Treasurer of the United States, drawn upon a deposit bank for a mere trust fund, belonging to individual citizens, which fund was, by the government, imported from abroad in gold and silver, and in gold and silver placed in that bank for safe-keeping, have been dishonored and returned without payment, because the holder of the drafts would not receive the irredeemable bills of that bank in satisfaction.

“What ought Congress to do, is the great question? Can a national bank be resorted to, even if it could remedy the evils we suffer? Twice such an institution has been tried, and twice have the people pronounced their verdict that it shall not have existence within our confederacy; that its powers to produce expansions and contractions in the currency, and overtradings, speculations, panics and pressures, are much superior to its powers to regulate, restrain or sustain our circulating medium; that the political dangers and evils arising from it, to the purity and stability of our free institutions, far outweigh any promise of benefits; that the Constitution of the United States has not conferred upon Congress any power to charter such an institution, and that no such charter shall emanate from the hands of their representatives. The voice in which this last verdict was so distinctly and clearly pronounced yet sounds in our ears, and warns us against repeating this doubly condemned experiment.

“Shall State banks be further continued as public depositories and fiscal agents of the treasury? Shall millions more be intrusted to these institutions which refuse to respond for what they have received for safe-keeping, except by their own irredeemable and faithless promises to pay? Shall Congress recede from the ground it has taken, that the debts of the nation shall be paid in a currency equivalent to specie, at the will of the holder? Shall it legalize as currency, and establish as the circulating medium of the national treasury, the irredeemable notes

of the State banks, and import gold and silver from other countries to be exchanged for such a miserable representative of money?

“What, then, can Congress do? Try the yet untried expedient. Produce a perfect and entire separation between the finances of the nation and all banks of issue or discount, however or by whatever authority existing; between the national treasury and those artificial creations of legislation upon which we have, hitherto, so unfortunately attempted to depend. We have tried the faith of these soulless existences, in all their forms of being, and that faith has always failed us in the hour of utmost need. Now let us try the faith of natural persons, of moral, accountable agents, of freemen. Let Congress trust the safe-keeping of the public treasure with citizens, as such, and not as bank corporators; with men responsible to itself, and not to a moneyed institution. Let collections into the national treasury be collections of *money*, or its equivalent, not of irredeemable paper; and when the government owes a citizen, let him, for that debt, be able to obtain money or its equivalent, and not i convertible bank notes.

“We are told, and no doubt truly, that the connection between the public treasury and the banks has aided to produce the excesses we now so deeply deplore. Let not the treasury again contribute its agency to such severe afflictions upon the people. When duties are to be paid to the government, let them be paid in fact, not practically credited by a system of deposit in banks which enables the merchant to withdraw with one hand what he places in the bank with the other. If lands are sold, let the money paid for them be retained by the government, to which it belongs, until its wants call for its use. Explode the mischievous doctrine, now so generally promulgated, that the merchant, or the speculator, have a right to the use of every dollar of money in the national treasury; and, when overtrading shall unduly increase the revenue from customs, or mad speculations swell the amounts received for sales of lands, let the accumulations of cash capital in the treasury check these excesses, before their bitter fruits are realized, as now, in the destruction of credit, the derangement and depreciation of the

currency, the depression of property, and the prostration of business generally."

NOTE. — In this last paragraph, Mr. WRIGHT first develops the idea of an independent treasury, afterward matured and adopted, under which a dollar has never been lost, as well as a philosophical and infallible mode of checking and restraining most effectually overtradings and speculations in the public lands.

"THE TIMES. — No. 6.

"The Duties of the State Governments toward the Banks, being institutions of their creation, and over which they have Governmental Control.

"We hope we are not insensible of the delicacy of the discussion under our present head. The State Legislatures have chartered the existing banks and to them the banks are responsible. We, therefore, address bodies where power follows proof, and where we hope and believe evils and defects require only to be shown to command the remedy. That evils exist all feel and know, and that defects exist in the banking system of the States is almost necessarily inferable from the present deranged state of the banks existing under them. But when an individual citizen assumes to speak of defects in existing legislation, or to recommend for legislative consideration remedies for existing evils, he should not speak without reflection, or make even suggestions without caution.

"That our banking system is as wise, as safe and as valuable, in every sense, as that of any other State in the Union, we do not doubt. That it is far superior to many, we verily believe. Still, when brought into conflict with improvidence and cupidity, the present moment shows us how utterly insufficient it is to answer the hopes of its wise founders. When overloaded and overworked, it turns out to be, like the banks of issue chartered under it, a paper system altogether. The limitations, restrictions and responsibilities, upon paper, are all-sufficient, but they no more secure a sound and stable currency, in practice, than the notes of the banks secure specie payments.

"What duties, then, are devolved upon our Legislature in consequence of the present suspension of our banks and the present deranged and depressed state of our currency?

“The first and most essential, in our judgment, is that of securing a return by the banks to specie payment at the earliest practicable period. Legislation in this State has already interposed itself between the banks and their liabilities, by granting those institutions a respite from their most weighty forfeitures for a term of one year.

“Can they, then, resume specie payments in May, 1838, or before that time? If there be banks which were, in fact, insolvent at the time of their suspension, it is not likely that any such can resume and sustain specie payments within a twelvemonth from that period; nor is it likely that institutions in that condition ever can return successfully to the performance of this primary duty.

“Unless other interests than those of the banks and their debtors can be interposed, it will be the duty of our next Legislature, wholly unavoidable, to require the banks to return to specie payments within the limitation of the present suspension law, or a forfeiture of their charters in pursuance of the terms of their contract with the public. The currency must be restored to a sound and stable state as soon as justice will permit, and, if we have not labored in vain, we have shown that neither justice to the creditors of the banks, nor to the whole public, will authorize a further suspension.

“As a first step, to give greater stability and security to our State banks, and consequently to our paper currency, the securing a much broader specie basis than any we have enjoyed, will strike all as indispensable. This can only be done, in our judgment, consistently with the preservation of our banking system, by a prohibition of small bank-notes and the consequent circulation of the precious metals as the currency for change in the small transactions of the community. Our present law, prohibiting the issue and circulation by our banks of all notes of a less denomination than five dollars, is a first step in this policy.

“We shall, and do now, call upon our representatives in every situation to mark, carefully and closely, the action of events, and to adopt such measures as shall secure the great result — a basis of gold and silver in circulation among the people upon which the broad and high superstructure of our paper currency can

safely rest. Reverses, such as that under which we now suffer, cannot and ought not to be endured, and the preventive, for the future, must and should be certain and effectual.

“And we further say, that that safety cannot be given to our system without an increased specie basis, and that that specie basis cannot be secured and the system itself preserved without a firm and constant adherence to and perseverance in the policy of suppressing small notes for circulation and the substitution of the precious metals as the currency for the common and ordinary transactions of business.

“The developments of the last year authorize the apprehension that the capitals of some of our banks, most recently chartered, have been unreal in fact and little better as security to the public than the old exploded stock-note system. We allude to the practice of hypothecating the stock of one bank as security for loans made from another; thus, in effect, so far as the security to the public is concerned, sinking so much of the capital of the one institution in that of another. The annual reports of our Bank Commissioners show the existence and extent of this practice, and prove that millions of the nominal banking capital of the State are swallowed up in the mere ordinary bank credits. We also allude to a practice, said to prevail to a much greater extent than the former, of making loans to stockholders of new banks, at a very early day, if not at the very first meeting of the board of directors, for discounts in sums measured exactly by their subscriptions and payments for the stock they held in the bank. So far as this practice may prevail, no one can fail to see that the capital of the bank is gone whence it came, and that the note of the stockholder is all that remains as a basis for the circulation of the bills of the bank loaned to him.

“As requirement of law, that each bank should make investments of its capital stock paid in in public stocks issued by the federal government, or some one of the States, or in bonds and mortgages upon unincumbered real estate, at a rate of valuation which should be safe against any contingency, would obviate these evil practices, and give to the public a security against future loss, which is the promise, but not the operation, of the present laws to give.

“In connection with this subject we suggest an entire prohibition against loans by any bank to its directors, and a very guarded, if not entire prohibition, of loans by a bank to its stockholders. The legal intendment is that he who takes bank stock has money to lend and prefers this mode of investment ; and not that he is a money borrower, and wishes to acquire a pawn which can compel loans to such an extent, beyond his cash means, as his necessities or convenience may require. Why not, then, make this intendment law and practice, and thus place our banks in hands which shall have no other interest in their management than that of the profits to be derived from investments in their stocks ?

“Connected with these suggestions it is well worthy of consideration of our legislators whether the power given to our banks to contract debts and incur liabilities of any description, is not, as a whole, more extensive than can be consistent with the perfect security of the institutions themselves, and consequently with the safety of the public and the currency. That the banks have incurred liabilities beyond their power to meet, according to the terms of their promises, is confessed and declared by themselves ; and will it not be wise, for the future, more narrowly to limit that discretion which has once led to error and injury and loss ?

“As immediately connected with this branch of the subject, we have a word to say as to the duty of our future legislatures in granting new banks. That grants have hitherto been too numerously made we suppose will not be denied by any individual or any interest. That banks have been, heretofore, granted for objects not properly calling for the aid of banks must also be admitted, because it is impossible that the business properly entitled to bank accommodations should not be able to sustain the banks granting these accommodations, during a period of national peace and unrivaled prosperity. Here, then, is an evil to be remedied addressing itself peculiarly and exclusively to the Legislature. Let no bank be granted where there shall not be demonstrative proof that the interests of trade and commerce require increased bank facilities. Let those proofs, and not the interests and anxieties of personal applicants, govern the action of our legislators. Let the novel doctrine that banks are to be

chartered in different sections and counties in the State upon the basis of territory, population and representation, be wholly discarded, as unsound and dangerous. Let the substantial wealth and description of business of the population for which a bank is asked determine the propriety of the application, and not the price of real estate, of city or village lots, or the extent of visionary speculations prevalent at the point of proposed location. Above all, let the least evidence of an attempt, on the part of the applicants of a bank, to gain legislative votes for it by combining it with any other measure whatsoever depending, or to come, before the body, be proof conclusive of want of merit in the application, and want of integrity in the applicants, either of which should secure for it prompt rejection."

"THE TIMES.—No. 7.

"The Duties of the People in reference to their Governments, State and National, as the Constitutional Power to Correct Abuses in either, to Defend their own Interests, and to Secure to themselves and their posterity Equal Justice, Public Liberty, and the Rights of Private Property.

"Under this head we address the fountain of power, under our system of government, the sovereignty of our republic. Without the aid, and countenance, and support of that sovereignty, neither legislators, nor any other class of public servants, can perform the high duties which the crisis demands. Without the advice and direction of the sovereign people they may mistake those duties, and fall into honest but not less fatal errors. It is the duty of a free people, therefore, upon all great emergencies, to advise and direct their agents, to make manifest to them their interests and wishes, and to sustain those who labor to do their will.

"The present time makes this loud call upon the people of the United States. A period of apparent prosperity, such as no nation ever experienced, is almost instantly succeeded by depression, mercantile embarrassment, and a derangement of our currency more extensive and universal than any former example furnished in our history. Why has such a consequence followed such appearances? Has the period of prosperity been merely

apparent, artificial and unreal? Or, has a period of real plenty and prosperity been improved by the artful and designing to inflate business, and confidence, and credit, until one of the richest blessings which a kind Providence showers upon a nation has been perverted and made to minister to the most disastrous consequences? If either position implied in these inquiries be correct, by what immediate agency has the false bubble been inflated and distended, until its bursting has given a shock to business, and confidence, and credit, as sudden as the motion of the electric fluid in a commotion of the elements, and as terrible as the earthquake to the planet we inhabit? Is there a doubt that State legislation has given existence to this agency, and that the all-powerful agent is the State banks, to which has been intrusted, not the regulation only, but the practical making of the currency of our country? To us it seems no one can doubt this position.

“The State Legislatures have chartered banks that they might serve and advance, not injure and retard, the great pecuniary interests of society. They have conferred upon them their extensive and exclusive privileges, not for those who hold the stock and the management of these institutions to make them more profitable to themselves, but that they might be more useful to the public, more safe in their operations, and consequently better able to sustain against all contingencies that currency which they are authorized to furnish for the uses of the people. How is it, then, that these wise and just intentions are so often disappointed? Why are State banks so often surrounded with embarrassments, unable to meet their responsibilities,—indeed, wholly and desperately insolvent? Why are portions of our currency so often found discredited, depreciated and finally valueless? And why, at too short intervals, do we find the whole mass of our paper money deranged, depreciated and inconvertible? Are these evils innate and inherent in the banking system, or are they defects in the regulations of law which govern banking in our country? We know that there are many who suppose these fluctuations, evils and losses are inseparable from, and irremediable in, the paper system; but we have hoped, and still do hope, that this opinion is founded in error. We know that all former experience has countenanced it; but we believe

that, in all former time, the interests of bankers, of stockholders, of borrowers, have predominated over the interests and safety of the community, in our legislation upon banks and banking. We know that the former class of interests are private, personal and direct, and that they are always exerted upon the legislative body with their full force and effect; while we also know that the latter are left to the good sense, careful remembrance and unbiased integrity of each public agent who has a vote to give, or a voice to express, in this part of our legislation.

“If fault be here, it is the fault of the people themselves. The negligence is theirs, and the loss, injury and suffering is upon them. They have left their public servants without advice, without the expression of their wishes, without instruction, open to the influence, exerted in season and out of season, of the interests in conflict with those of the public generally, and are not roused until the consequences of their want of vigilance are visited upon themselves and their dearest and deepest interests.

“This is emphatically that time, and what are now the duties of the people? We answer,

“1. To see that, in our future legislation upon this great subject, the interests of the public and the safety of the currency are made paramount to the private interests connected with the banks.

“This duty can only be discharged by an awakened attention, on the part of the people, to their deep interest in the circulating medium of the country; in the equivalent for which they exchange their labor, the products of their labor, their farms and their shops; in that article of property which they receive as money, upon which, as property, they place the highest estimate, and which, with all business men, is the end and aim of industry, of economy, of exertion and of enterprise in the things of this world. That medium of exchange with us is principally furnished by the State banks, and upon them, by our laws, rests its stability, value and character. The interests of the people, therefore, in these institutions, their soundness and action, are equal to their interests in their currency, in their circulating medium of exchange. The banks exist at the will of the people and through the direct agency of their representatives, and without

this will and this agency they could have no existence. The privileges granted to them are a portion of the privileges and sovereignty of the people, and those privileges, so far as they are ever correctly granted, are parted with for the public benefit, and that only. The interests of the stockholders and managers of the banks, resulting from their business transactions, are merely consequential and secondary, and, in the theory of incorporated banking, rightly understood, form no part of the consideration for the charter of a bank.

“Still, we apprehend that here rests one of the greatest errors in the practice of banking in the States. The great public interests involved are lost sight of, while the interests, wishes and solicitations of the corporators are permitted to command not only the representative action, but, by way of inconsiderate petition, the popular voice also. Hence, banks have been solicited and granted, in the various States, merely to accommodate local and personal and private interests, where there was not, even a pretense, that the great interests of trade and commerce, or of a sound and solvent medium of exchange, required such institutions.

“The revulsion necessarily consequent upon legislation by such a standard is now oppressing the country, and an irredeemable currency, fearfully expanded, is one of the fruits of the policy which all feel and deplore. The remedy, and the only remedy, for this great evil is with the people.

“But let the people express their will; let them advise their public servants; let them pronounce their interests in a sound and valuable currency, and their determination, at any sacrifice, to possess and enjoy it; let them instruct their representatives; let them command the legislation which their rights, the prosperity of the country and the credit of the nation demand, and the incipient steps toward a remedy for existing evils in our monetary affairs will have been effectually taken. Let this course, on the part of the people, be followed up by a careful scrutiny upon the conduct of all their public servants, especially their representatives in the State and national Legislatures. Let their every vote and action in reference to the currency and our monetary system be marked, its tendency strictly scrutinized, and the

reasons and motives for it be demanded, examined and justly estimated. * * In this way, and this way only, will an ascendancy be given to public over private interests growing out of our banking system.

"2. To see that no further unnecessary and improvident additions be made to our banking capital, and consequently to our already too greatly expanded currency.

"The discharge of this duty is most imperious, and had it been firmly discharged years gone by, we have every reason to believe that the country would not have experienced its present sad reverse. * * * Let the legislative combinations which have become so common, and have been, of late, so openly avowed, be entirely broken up.

"We know that our remarks may be supposed to cast imputations upon those who have represented the people in our legislative assemblies. We make no personal allusions, nor have we, even in our minds, the name of any individual to whom we would make the personal application; but so palpable to the whole public sense has the influence of these combinations been, upon a variety of occasions, and never more than in the legislation of 1836, when more than \$6,000,000 were added to our banking capital, that it becomes a duty on our part to warn the people against them, and to arouse them to a watchfulness and scrutiny, in regard to the individual and separate acts of their representatives, which will prove a speedy corrective against these baneful effects for the future.

"3. To enforce such remedies for the defects in our present banking system as shall sustain the public credit, protect the public interests, restore the currency to a specie value and give stability, infuse a greater portion of the precious metals into the circulating medium of the country, and restrain the action of the existing banks within the limits of prudence and safety.

"4. To protect our political institutions from the influence of, and from all unnecessary connection with, moneyed institutions, State or national, and from the dangers which accumulations of capital, with incorporated banking powers, and a control over the currency of the country, must always present to the rights of

private property, to the purity of our elections and to public liberty.

“ When a concentrated movement of local banks has prostrated our currency, can any one expect that the people will consent to shut their eyes to the fact? When that same vigilant opposition which, one year ago, was taunting us with a denial of justice in not granting more banks, is now charging upon us the multiplication of banks to the ruin of the business and credit and currency of the country, can any one expect that republicans will be silent and not avow and defend their principles? When the dangers to property and to liberty, threatened from the influence of a great national bank, have but just been eradicated by the people, does any one expect that the same people will sit tamely by and see one of the most serious of those threatened evils inflicted by a combination of banks, without an expression of their feelings?

“ The existence of an individual aristocracy in this country is rendered impossible by the abolition, by the States, of the laws of entails and primogeniture, and nothing but an aristocracy of wealth, based upon a legal corporate existence, can ever return that affliction upon our beloved country. Against that the people must guard with a sleepless vigilance, equal to that which was exercised by our fathers in the achievement of our freedom ; and if the time shall ever come when a political party shall rise up and be successful in our country, whose principles shall be found in a bank charter, or in the charter of any other corporate money power, then may we class our government with the most dangerous aristocracies upon the earth ; then may our people cease to boast of their freedom, of the purity of their institutions, of their elective franchise, or of their rights of property, and be content to fatten upon the humble boons which corporate wealth shall in mercy grant, whether those boons shall be presented in the mitigated form of an irredeemable paper currency, or the more severe aspect of menial service in a manufactory or on a manor.

“ We must be distinctly understood in these remarks. We do not intend by them to invoke prejudice against the existing banking institutions. We have already said that their conduct should control their standing in the public estimation ; that those which present, by their management, satisfactory evidence of a

disposition to return to a practical and faithful discharge of their whole duties to the public should be aided by public confidence; and that all should be sustained in the full enjoyment of all their existing legal rights. These sentiments we cheerfully repeat, and, so far as our humble voice is concerned, we entreat their full and strict observance from the people; and it is only in reference to a system of corporate authorities, corporate exemptions and corporate wealth, and to the existence of a political party in this country, founded upon such a system, whether denominated State or national, local or general, 'credit system,' or 'American system,' that we apply the remarks in our last paragraph."

CHAPTER LXIII.

POSTPONING THE FOURTH INSTALLMENT OF THE DEPOSITS
WITH THE STATES.

In the spring of 1837, nearly all the banks in the United States, as if by concert, suspended specie payments. The deposit banks failed to keep their plighted faith toward the government, and were unable or unwilling to meet their obligations. The whole amount in the treasury on the 1st day of January, 1837, over and above the five millions to be retained there under the distribution act of 1836, was \$37,468,859.97, of which three installments, amounting to \$28,101,644, had been paid over to the States, and the fourth, of \$9,367,213.24, was soon to become payable. Public policy forbid this being done. At the special session of Congress Mr. WRIGHT reported a bill to postpone paying over this installment. This was taken up for consideration on the 14th of September, 1837, and its immediate passage strongly urged by Mr. WRIGHT, who addressed the Senate on its merits as follows :

“Mr. WRIGHT said it might become him to say a few words in relation to the bill before the Senate. His position in reference to this and other bills, perhaps, required him to do so. He would, however, confine himself strictly to the present subject, and to the most brief justification of his own course, and that of the majority of the Committee on Finance, who had concurred with him in reporting the bill.

“Immediately upon the appointment of the committee, and the reference to it of the important subjects treated of in the message of the President and the report of the Secretary of the Treasury, the committee found that the treasury of the United States was very soon to be in want of means to meet the current demands upon it, without regard to any further transfer to the States.

They also found that this fourth installment of the deposits with the States was to become payable on the first day of October, and amounted to about nine and one-third millions of dollars.

“The state of the treasury, as developed by the report of the Secretary of the Treasury, was, as he now recollected, and he thought he could not be materially mistaken, that, at the time when the statement appended to that report was made up, about the first day of the present month (he believed the exact date was the twenty-eighth of August), there was in the treasury, subject to draft, available and unavailable, but eight millions one hundred and some odd thousand dollars. The report was printed, and upon the table of every Senator, and would verify his correctness in this particular. This amount was exclusive of the sums already deposited with the States, being some twenty-eight millions.

“To arrive at what would be the condition of the treasury on the first of October, the expenses of the present month, which, from drafts already made and anticipated, were estimated at about two and a half millions, must be deducted from the eight millions one hundred and odd thousands; thus leaving in the treasury, subject to draft, on the first day of October, less than six millions, without the transfer of a dollar to the States toward the October installment. This, too, included all the funds in the treasury subject to draft for payments or transfers to the States, whether available or not, upon the drafts of the Treasurer; the funds on deposit with the States not being taken into the computation.

“If, then, the October installment was to be transferred to the States, all the means in the treasury, of all descriptions, on the day when that installment was by the deposit law made transferable, would not be equal to two-thirds of the amount, and money must be borrowed, upon the credit of the United States, to supply the deficiency.

“Another and stronger view, however, was presented to the committee by the head of the Treasury department. The largest portion of the funds in the treasury at present, and which would remain there on the first of October, were wholly unavailable upon the drafts of the Treasurer. They were in the western

and south-western banks; and experience had already shown that the drafts of the Treasurer upon these banks would not be received in payment by the public creditors. It was equally proved that the States, other than those in which the banks were located, would not take those drafts and give their obligations for a repayment of the amount in money, in pursuance of the provisions of the deposit law. The transfer to the States, therefore, could not be made, even to the amount of the funds in the treasury subject to draft, by reason of the character of the funds to be drawn upon; and, if to be made, a loan, to a much greater amount than the deficiency of those funds upon paper, would be rendered indispensable, from the unavailable condition of these funds.

“Still, it would be seen by the Senate that this disposition of the funds in the treasury, and of the public credit, would leave the treasury without a dollar to answer the current demands upon it. The appropriations for the year were large, almost beyond example, and the current calls upon the public treasury must be measured by them. Hence it had been an object of primary interest with the Secretary to devise the means for carrying on the government and fulfilling its obligations to the public creditors; and in reaching that object he had, as he, Mr. W., considered, wisely and properly suspended his efforts to make this last transfer to the States. In pursuance of this necessity, he had told Congress, in his printed report, that he should make no movements toward the accomplishment of that object until the action of Congress should signify its will that that transfer should still be made, and should provide the means for making it. These facts and conclusions were fully before the committee.

“It then became necessary for them to see what would be the state of the public treasury, upon the supposition that the October installment of the deposit with the States should be withheld. In prosecuting that inquiry, they found that the funds in the treasury, subject to draft, were to so great an extent unavailable that it would be indispensably necessary to resort to the use of the credit of the government, in some form, to anticipate the practical use of the unavailable portions of those funds, for the purpose of current payments.

“**A**t this stage of the inquiry, two other important interests, both public and private in their character, pressed themselves upon the attention of the committee. In any settlement with the late deposit banks which should have proper regard to the present deranged and depressed state of the business of the country, and to the security of the public moneys yet remaining in their possession, the committee were forced to the conclusion that indulgence to these institutions, beyond their legal liabilities, was indispensable. The conclusions of the committee upon this point had been embodied in the shape of a bill, which was now before the Senate in a printed form. The other great interest to which he referred was a similar indulgence upon the revenue bonds. There, also, the committee had reported a bill, which was before the body. In both cases, the least indulgence had been proposed which the committee believed to be consistent with the great private interests of the community or the security of the public property involved. They had been induced to believe that the time granted to the banks was the least which would enable them to meet the payments in the manner required by law, and that any dependence upon a more speedy collection of the merchants' bonds would result in disappointment to the public treasury, and a consequent failure to pay the public creditors.

“It being assumed that Congress would agree with the committee in these conclusions, and that these bills would meet with approbation, what, then, would be the state of the treasury with reference to a transfer of the October installment to the States?

“Mr. W. said he understood the estimates of the department to be, that without these indulgences to the banks and the merchants, and with the postponement of the October installment of the transfer to the States, the whole means in the treasury might be adequate to its wants, in case Congress should be willing to grant the use of the public credit temporarily, that that portion of the funds which was at present unavailable might be brought into practical use, until time should render them available for the redemption of that credit. If those indulgences should be granted, then the use of the public credit would be required beyond the current year, because material portions of the existing

means, and of the otherwise accruing revenue, would be placed without the reach or control of the treasury for more than that period.

“Upon these calculations and hypotheses the bills of the committee had been framed, and it was now his duty to give these facts and conclusions practical application to the measure under discussion.

“This was a bill to postpone the October installment of the transfer to the States. If he had been correct in his statements, and had made himself intelligible to the Senate, it would be seen that nothing existed in the treasury out of which this transfer could be made, and that nothing within its power could enable it to make it without the aid of Congress. It would also be seen that the whole means of the treasury were inadequate to meet the current calls upon it, without the temporary aid of the credit of the nation; and that, if a reasonable indulgence were granted to public debtors (such as the condition of the country and the security of eventual collections seemed to demand), the use of that credit must extend beyond the current year, and could, at best, be only eventually met and redeemed by the means of the treasury, existing or in prospect, without a further transfer to the States.

“In view of these facts, Mr. W. said his own mind had been brought to this simple and plain conclusion: that the United States had no longer any moneys to be safely kept by the States; that if the October installment of the transfer, provided for by the deposit law of 1836, was made, the means to make it must be borrowed upon the credit of the United States, and that Congress must place itself in the singular position of using the public credit to borrow money, merely that it might be safely kept by the States when it was obtained. He understood these provisions of the deposit law, upon their face, to be mere provisions for the safe-keeping of the public money. He understood this to be the object of those who advocated and supported that law at the time of its passage. In that sense he was disposed to regard it now; and he did not, therefore, view it as creating any claim in favor of the States, or as imposing any debt upon the United States. If, therefore, we were called upon to borrow money to

fulfill the provisions of that law, he could only view it in the light of a call upon us to borrow money, merely that it might be safely kept when so borrowed. He had not felt, and could not feel himself authorized to recommend a loan upon the credit of the nation for such a purpose. He believed he spoke the sentiments of those of his colleagues upon the committee, when he said that these were the views which had actuated him and them in consenting to report this bill.

“ Mr. W. said he owed it to himself to say that he had felt most sensibly the remarks of the honorable Senator from Massachusetts [Mr. Webster] as to the inconveniences and disappointments which must grow out of withholding the transfer of this installment to the States. With a much less knowledge of the varied business and pecuniary affairs of our extended country than that distinguished Senator, he had not been insensible to these considerations. The course pursued by his own State, in the disposition of this money, had compelled him to be awake to them. The law of his State for the investment of its portion of this money had placed the matter even beyond its control, and had compelled its chief fiscal officer, long since, to announce to its citizens that this installment would be paid from the treasury of the State, whatever might be the action of Congress upon the subject. This would, beyond doubt, be done; and those who sent him here, and whom it was his duty and desire faithfully to represent, should this bill pass, would be compelled to indemnify, from their own public funds, the individuals interested as borrowers of these moneys, against disappointment, damage or loss, from the action of Congress. Yet, under these delicate and difficult circumstances, he had not been able to convince himself that he could properly do otherwise than to support the bill. He owed a high duty to those constituents, but he owed, in his estimation, a higher to the nation and to the Constitution of his country. He could not think that the power granted to Congress to borrow money upon the credit of the United States could be properly exercised for the mere purpose of raising money to be safely kept; and this he must consider the simple question presented. He might be mistaken in this view of the matter; but such was the deliberate conclusion of his mind, upon the most mature

reflection, and that conclusion must govern his action upon **the** bill, as it had done his action as a member of the committee which reported it.

“Having said thus much, Mr. W. said, he would only correct two or three errors of fact into which the honorable Senator **who** had just resumed his seat [Mr. Webster] seemed to him to **have** fallen, and he would detain the Senate no longer.

“The honorable Senator seemed to suppose that the means to make this transfer to the States were in the treasury, and that **the** only difficulty, separate from the other demands upon it, grew **out** of the present unavailable character of those means. The **state**ments he had already made had shown the error of this **hypot**he-sis. He had already shown that the whole means in the **treasur**ry, even when the Secretary of the Treasury made his report, at **the** commencement of our present session, of whatever **charac**ter, whether available or not, were less, by more than a million of dollars, than the installment required to be transferred to **the** States under the deposit law. He had further shown that **th**ose means, such as they were, were, before the first of October, **when** that transfer was required to be made, to be still further **dimin**ished by the whole expenses of the government for the **pres**ent month, ascertained and estimated to amount to two and a **half** millions of dollars. Hence it would follow that the whole **me**ans in the treasury, on the first day of October next, must be **fr**om three and a half to four millions less than the transfer **requir**ed. It was in vain, therefore, Mr. W. said, to escape from the **conclu**sion that, if Congress should insist upon this transfer, it **m**ust authorize a loan of money upon the public credit, to enable **the** treasury to make it; in other words, that it must **author**ize a loan of money upon the credit of the United States, **th**at that money, when loaned, may be deposited with the States **for** safe-keeping.

“Another error of the honorable Senator [Mr. Webster], **wh**ich he felt bound to correct, was in his strictures upon the **recom**mendations of the Secretary of the Treasury as to the **man**ner of issuing treasury notes. The honorable Senator had **criticis**ed this part of the report of the Secretary of the Treasury **w**ith some severity, and had held him up to the Senate and the **coun**try

triking out a new path for the supply of the treasury ; as recommending the issue of paper money ; of a description of paper similar to that which we know by the denomination of continental money ;' and of doing this for the first time since the organization of the government under the Constitution. The

recommendation consisted in a recommendation, merely discretionary and alternative, to issue treasury notes bearing no interest, and payable to the bearer, in the case the public credit should be found willing to receive such notes in payment of demands against the government, at par ; otherwise to give such notes such an interest as would bring them to par.

Mr. W. said, as the committee, in the bill they had reported, had not followed this recommendation of the Secretary, it would seem that no question was depending before the Senate, either the bill now under discussion or in any other, which rendered the point material ; but he was sure his object would be fully understood and appreciated in making this correction. It was only to defend this public officer against a mistaken accusation. It was not necessary for him to defend, at this time, the soundness of the recommendation, but to protect the Secretary against a charge of being the author of a principle now supposed to be new and dangerous. To do this, it was only necessary for him to read the third section of the act of the 24th of February, 1862, authorizing an emission of treasury notes, in which all these provisions would be found to be embraced, adopted and made operative, as a part of laws of the land.

Mr. W. here read the section of the act as follows:

SEC. 3. *And be it further enacted*, That the said treasury notes shall be issued of such denominations as the Secretary of the Treasury, with the approbation of the President of the United States, shall, from time to time, direct ; and such of the said notes as shall be of a denomination less than one hundred dollars shall be *payable to bearer*, and be *transferable by delivery alone*, and *shall bear no interest* ; and such of said notes as shall be of the denomination of one hundred dollars, or upwards, *may* be made payable to bearer, and transferable by delivery and assignment, indorsed on the same, bearing an interest from the day on which they shall be issued, at the rate of five and two-fifths per centum per annum ; or they *may* be made payable to bearer, and transferable by delivery alone, and bearing no interest, as the Secretary of the Treasury, with the approbation of the President of the United States, shall direct.'

"What now, Mr. W. asked, was the condition and the fault of the Secretary? He had found the public treasury in want of means to pay the public creditors. The exigency had grown out of a reverse in trade and business, sudden and universal, and the use of the credit of the government, in some form, seemed to him indispensable. It became his duty to suggest to Congress the means and the mode of supplying the treasury. He examined the legislative history of the government in former cases of embarrassment at the treasury, and found, among other expedients, that emissions of treasury notes paying no interest, payable to bearer, transferable by delivery alone, and without any restriction as to the denomination of the notes to be so issued, had been authorized. Among a variety of plans to meet the present wants, he suggested this, recommending that no note should be issued for a less amount than twenty dollars. Had he attempted to introduce any new principle? Certainly not. Was his conduct, in making this suggestion in conformity with the previous practice of Congress itself, deserving of the high censure which had been bestowed upon it? He, Mr. W., thought not.

"A single other reply to the honorable Senator. That gentleman had supposed the President most inconsistent and contradictory with himself, in remarking generally, in his message, that he did not recommend to Congress measures for the regulation of the general currency of the country, or of the foreign and domestic exchanges, because he could not find in the Constitution any power conferred upon Congress to regulate these matters; and then, in the same message, recommending a bankrupt law, as applicable to banks and bankers. Where was the inconsistency or contradiction? The President had said he omitted to make further recommendations upon these subjects than those found in the message, because he could not find, and did not believe, that Congress possessed further power over them; but he did recommend a bankrupt law, because the power to pass bankrupt laws is conferred upon Congress by the Constitution, in express terms. He did, therefore, recommend a bankrupt law, which the Constitution authorizes, and he did not recommend anything else upon these points, because the Constitution authorizes Congress to do nothing else. Is this inconsistent?"

This bill passed the Senate by ayes 27, nays 18, and was sent to the House, where it was passed by a vote of 119 to 117, and, being signed by the President on the second of October, it became a law. This installment, in consequence of future legislation, has never been paid over to the States.

A proviso to this bill declared "that the three first installments under the [original] deposit act shall remain on deposit with the States until otherwise directed by Congress." Without this proviso, the bill would not have passed the House. Congress has never directed the States to be called upon, by the executive or otherwise, to repay the money they received from the treasury, and doubtless never will. The original act was an undisguised attempt by Congress to buy up the States with the money constitutionally collected by the federal government for its own legitimate support. Calling this distribution a "deposit," was adding a false pretense to an unconstitutional proceeding. This was Mr. WRIGHT's opinion, and that of the author then and now, and both voted in conformity with such opinions. Many of the friends of Mr. Van Buren voted for it, to prevent his being prejudiced by a measure which his enemies thought would be so popular as to sweep him overboard and defeat him entirely. Although an ardent supporter of Mr. Van Buren, Mr. WRIGHT, without regard to consequences, deemed it his duty to vote against this bill, because it contained this distribution provision, which he deemed a violation of the Constitution.

CHAPTER LXIV.

THE CONSTITUTIONAL TREASURY.

It is a remarkable fact that, for the first fifty-one years of the federal government, we had no actual treasury, although we had a Treasury department and a Treasurer. It was not until the 4th of July, 1840, that rooms, with vaults and safes, were provided in the treasury building for the safe-keeping of the public moneys. The law commonly called "the sub-treasury act," was entitled "An act for the collection, safe-keeping, transfer and disbursement of the public moneys," lived but one year and nine days, when it fell a victim of partisan legislation in President Tyler's time, with the expectation that a new Bank of the United States would take its place. But in those who repealed this act were disappointed; Mr. Tyler killing the then pending bill, chartering a bank, with a veto. Prior to 1840, the revenues of the government had been almost exclusively intrusted to banks, through which they were disbursed. The failure to redeem their bills by every one of the selected deposit banks, in 1837, rendered it the imperative duty of Congress to provide, through the officers of the government, for the collection, safe-keeping and disbursement of the public moneys. The public mind was turned in this direction and employed in devising the best and safest means of accomplishing this object. Numerous plans were devised, many of which were made public, all of which were more or less defective. Mr. WRIGHT, then distinguished for his clear perceptions and practical knowledge on such subjects, elaborated a plan to accomplish this immensely important subject. His views were fully communicated

to President Van Buren, whose message at the special session, September 4, 1837, contained the following suggestions on this subject. Referring to the condition of the banks and the prostration of credit and the mode of keeping the public money, he said :

“The present and visible effect of these circumstances on the operations of the government, and on the industry of the people, point out the objects which call for your immediate attention.

“They are, to regulate by law the safe-keeping, transfer and disbursement of the public moneys; to designate the funds to be received and paid by the government, to enable the treasury to meet promptly every demand upon it; to prescribe the terms of indulgence, and the mode of settlement to be adopted, as well in collecting from individuals the revenue that has accrued, as in withdrawing it from former depositories; and to devise and adopt such future measures, within the constitutional competency of Congress, as will be best calculated to revive the enterprise and promote the prosperity of the country.

“For the deposit, transfer and disbursement of the revenue, national and State banks have always, with temporary and limited exceptions, been heretofore employed; but, although advocates of each system are still to be found, it is apparent that the events of the last few months have greatly augmented the desire, long existing among the people of the United States, to separate the fiscal concerns of the government from those of individuals and corporations.”

At that time Mr. WRIGHT was chairman of the Committee on Finance of the Senate, and prepared and reported a bill to carry out the views presented by the President in his message. As reported, it authorized the receiving and paying out of bills of specie-paying banks, to which Mr. Calhoun objected; and, at his instance, Mr. WRIGHT assented to striking out this provision. The bill was fully and ably debated. On the 2d of October, 1837, Mr. WRIGHT addressed the Senate as follows :

“Mr. WRIGHT said, but for his situation upon the committee, which reported the bill upon the table, he should not only **not** feel it to be his duty, but he should not even feel excused, **for** occupying the attention of the Senate at this time, and adding to this already full debate. Indeed, so extensively had all the important points presented by the various propositions been referred to, and ably debated, by those who had preceded him, that he should feel justified in preserving silence, had not certain charges been made against the committee, touching the discharge of **their** duties, which he felt himself compelled to notice. He did **not** use the term ‘charges’ in any offensive or improper sense, but **as** expressing strong differences of opinion between himself **and** those who had complained.

“The reference of this and all the other important subjects which had occupied the attention of the Senate during its **pres**ent session to a single committee, though strictly appropriate, had necessarily devolved upon the members of that committee some labor, great anxiety, and high and delicate responsibilities. It was impossible, therefore, that any one of them, and most **espe**cially any one of the majority of the committee, who had **con**curred in its reports, could have listened to this debate with **any** other than the most interested feelings; nor could they pass, in silence, charges of insensibility to the crisis, and its influence upon all the citizens of the country, or of a culpable neglect of any important duty confided to them. What then were **the** charges to which he had referred?

“The first was, that the committee had confined their **delibe**rations, and the measures they had proposed, simply to the **wants** of the government, in disregard of the higher and **paramount** wants of the people. It had been said that the great and important purpose of this extra convention of Congress was to **relieve** the people, and that the wants of the government were **secondary** and unimportant in the comparison. He did not himself **under**stand this new doctrine of a separation of interests between **the** government and the people. He had supposed that the **wants** of the people, which it was within the constitutional power of **the** government to relieve, were, of necessity, the wants of the **gov-**ernment itself; nor could he understand how it was possible **that**

the government could have any want, which was not a want of the people. The public treasury wants money. Is that a want of the government and not a want of the people? For what is the money wanted? To carry out the dearest interest of the people, in all the objects of a good government, of a government of their own choice. Why is the want of money for the public treasury a want of the government? Simply because it is a want of the people, inasmuch as, without it, their government cannot be carried on.

“ He would examine, for a moment, the measures which the committee had reported to the Senate, that, in that way, it might be seen what was their tendency and effect, and how far the committee had been derelict in their attention to the wants of the citizens generally, or in proposing such measures of relief as the government could properly adopt. He certainly did not intend to discuss now measures which had passed the Senate and gone to the House many days since, but he trusted a reference to these measures, for the purpose he had avowed, would be not only pardonable, but proper.

“ The first was the bill to postpone the transfer of the fourth installment of the deposit with the States. The committee found that the existing law made it the duty of the Secretary to make this transfer to the States, of about nine and one-third millions of dollars, on the first day of the present month,—on yesterday. They found that the means in the treasury, from which alone it could be made, were in the late deposit banks, and in the deferred and unpaid merchants’ bonds for duties. If the transfer must be made, the banks and the merchants must be called upon for immediate payments, to enable the treasury to make it. Consequently, the customers of the banks, and of the merchants, must be called upon to pay them, that they might be able to pay the government. The committee supposed it impolitic to make the call, and oppress the debtor citizens, merely that the treasury might obtain the money to transfer for safe-keeping. They considered it wiser and better to postpone the transfer, and give time to the banks and merchants to pay. Therefore they presented the bill in question; and was it not a relief bill? Did any one look on it as a relief to the banks and merchants only? Did any

one suppose that the banks actually had in their possession, locked up in their vaults, the money they owe to the government, ~~or~~ that the merchants were in funds to pay their deferred bonds, without a call upon their customers? On the contrary, did ~~not~~ all know that the banks had loaned these moneys in the ordinary course of their banking operations, and that they could not pay without collecting in these loans at this difficult period for borrowers to pay? Did not all know that the inability of the importing merchants to pay proceeded from the inability of their customers to pay, and that, if pressed for payment by the government, they must press those customers? And who are the customers of the banks and the merchants? Are they not the people, and the whole people? Would any one say, then, that this was not a relief bill? that this was a bill for the government, and not for the people?

“The second bill reported by the committee was to authorize the emission of ten millions of dollars in value of treasury notes; in this form to borrow upon the credit of the United States the sum of ten millions of dollars in money—and for what? To enable the treasury to get on, and grant time to the debtor banks and merchants. The committee found the treasury in want of means to answer the ordinary calls upon it, and that those means must be realized, either from a prompt collection of the demands due to it, or from moneys raised upon the public credit. For the reasons which induced them to recommend a postponement of the further deposit with the States, they were also induced to present this bill to the Senate, and thus, so far as the current calls upon the treasury should require it, to interpose the public credit between the wants of the government and the rigid collection of its dues. Was this bill to be considered in the mere light of a care for the government, without regard for the interests of the citizens? Who were to be affected by a prompt and rigid collection of the public dues? Not the government or the treasury, but the public debtors. Who were the public debtors? The banks and the merchants immediately; the borrowers from the banks and the customers of the merchants substantially. And who were the borrowers from the banks and the customers of the merchants but the people of the country?

“The third bill reported by the committee was to grant time to the importing merchants upon their bonds, due and to become due, for a year from the present time. The extension, as assented to by the committee and ordered by the Senate, was nine months upon each bond. Would any one question that that was a relief measure to the merchants? Did any one suppose that the relief afforded by that bill was designed to reach no farther than the merchants who owed the bonds? No, sir. It was the customers of those merchants, the persons who had purchased for consumption and use the goods upon which the duties were payable, that the bill was to relieve. Few, comparatively, of those who occupy these seats would have voted for that measure had its influence and action been confined to the merchants only. But they could not indulge their debtors unless they could be indulged by the government, because they must collect if they must pay. To enable them to grant the indulgence which the state of the times and the condition of the monetary affairs of the country demanded, was the design and object, and would be the effect, of the bill. Who, then, would deny to it its relief character?

“The fourth bill which the committee presented for the acceptance of the Senate was one to extend a proportionate indulgence to the late deposit banks for the payment of the balances remaining due from them to the public treasury. It was true that these institutions stood upon a different footing from the merchants. They had merely received the public moneys for safe-keeping. The moneys were legally and technically in the treasury, but were they there in fact? Could the Treasurer command them for the uses of the government or the people? No. They were unavailable funds in the treasury. And why were they unavailable funds? Because the banks had got them locked in their vaults, and were not willing to pay them upon demand? No, sir; but because the banks had them not; because they were loaned to the customers of the banks, the citizens of the country, who could not pay on demand. The relation of debtor and creditor, in its ordinary acceptation, was not intended to be created by the law establishing the late bank-deposit system. It was a mere agency for the safe-keeping of the money, which the law recognized, but that agency had been turned into the relation of

debtor and creditor by the failure of the banks to fulfill on their part — into the most unpleasant relation of debtor and creditor — a creditor who wants and debtors who cannot pay. Indulgence, therefore, became a matter of interest to the creditor, as adding to the chances of eventual payment, and of favor to the debtor, as giving them time to collect the means for payment. To whom, then, was the favor, the relief, extended? To the banks or to their customers? Most assuredly to the latter. The banks could pay if they could collect; and, if compelled to pay, they would be compelled to collect. Their power to indulge depended upon the indulgence extended to them; and could it be said that a measure giving to them four, six and nine months, to pay their balances to the treasury, was a measure solely confined to the protection of the government, without regard to the relief of the people?

“These were the first four bills presented by the committee to the Senate, and yet they were told that they had forgotten the suffering interests of our great community in their exclusive care for the government and its officers. Was the charge just or merited? These bills had all received the final action of the Senate, and all, save one, had passed this body by nearly unanimous votes, while that one had passed by a large majority. It was true that the connection between them was intimate, and that, to a greater or less extent, each subsequent one was predicated upon the success of its predecessor, while all were most intimately connected with the condition and action of the public treasury.

“Indeed, it was but candid to say that the committee knew of no direct relief which Congress could properly afford to the distresses of the people of the country, but such as should grow out of the existing connection between the means of the treasury and the banking and mercantile interests. These bills covered all that ground, and no difference of opinion could possibly exist as to them, unless it should arise upon the principle of indulgence or the time of indulgence. No such difference had been manifested in the action of the Senate upon the respective measures, and therefore it was right to assume that none existed. Some had supposed that it was the duty of Congress to borrow the

nine and one-third millions covered by the first bill, that it might be transferred to the States for safe-keeping; and propositions having that tendency had been presented to and acted upon by the Senate, but they did not meet with favor. The body did not seem to suppose that such a disposition of the public credit would be a measure of relief either to the government or the people, and it was rejected.

“Take, then, the four measures referred to, sum them up in their combined action, and to what do they amount as relief to the community? The first is equal to a forbearance to collect nine and one-third millions of dollars from the customers of the banks and the merchants, to be transferred to the States for safe-keeping. The three last authorize a loan upon the public credit, to the amount of ten millions of dollars, to pay the expenses of the government and meet the public appropriations, and a forbearance of the collection of that sum from the public debtors, that they too may be able to forbear collections, at this trying period, from those who are indebted to them. Here, then, is direct and positive relief to the amount of nineteen and one-third millions of dollars. Might he not, then, ask, with some force and some justice, whether the committee were obnoxious to the charge of having forgotten the interests of the people in their care for the government? He would here dismiss this topic.

“The next and only remaining charge against the committee which he proposed to notice was, that in their action they had entirely overlooked, or wholly neglected to act upon, one of the most, nay, the very most, important of the subjects presented for their action in the message of the President referred to them; that they had reported no bill declaring the description of currency which should be receivable in payment of the public dues. He did not refer to this complaint against the action of the committee for the purpose of representing it as unjust or ungenerous; not even for the purpose of refuting it. It had come from opposite sides of the House, and it might be well founded. The fact was certainly as alleged; and his only purpose was to give the reasons which governed himself, and which, he was certain, governed the majority of the committee, in the conclusion to report no bill upon the subject of the currency to be received

into the public treasury. Those reasons had been and still were satisfactory to himself, as, he doubted not, they were to his colleagues upon the committee; but the course of action of the Senate upon this bill seemed to indicate, and its final action would probably show, that they were not satisfactory to the majority of the body. Should this be so, the committee would be content when their reasons had been placed fairly before the Senate and the country.

“They found the message presenting, among others, two distinct points, both, in the judgment of the committee, most deeply interesting to the public treasury, the government and the country. The first was a continuance of the separation between the moneys of the people and the State banks, which the operation of the existing laws and the conduct of the banks had already produced. The other was a gradual and safe discontinuance of the reception of the bills of the State banks in payment of the public dues, and an eventual return to the collection of gold and silver and such paper as should be issued upon the faith and credit of the United States, and be, by the laws of Congress, made receivable for debts due to the United States. The laws as they are, upon the subject of the deposit and safe-keeping of the public moneys, seemed to the committee to require immediate action, if the recommendation of the President was to be carried out and made a part of our permanent policy. Hence they reported to the Senate the bill now under discussion. They were not unmindful that some regulation as to the descriptions of currency to be received in payment of the public dues might become necessary, in case the new system of deposits should be adopted and the present condition of the banks should be changed; but in the present condition of the banks and of the law upon this point, they could see no necessity for immediate action, or for any present change of the existing laws. They felt that the two subjects were somewhat connected, but not so intimately as to require or demand that both should be embraced in the same bill. They knew that great diversity of sentiment prevailed as to both, and that different opinions were held by those who had hitherto been friends and supporters of the administration, as well as between them and their common

political opponents. Under these circumstances, and with the distinct expression of a desire, on the part of a large majority of the Senate, that the present session should be terminated at the earliest possible day, the committee felt bound to present every subject from their hands in the most simple and distinct form, and in a shape which might receive the definitive action of the body with the least possible consumption of time. With this view they reported separate bills upon every subject upon which they did report, and the same consideration influenced them to omit reports upon all subjects which they supposed might be deferred to the regular annual session, without injury to any important interest, public or private. By the law, as it stands, the notes of non-specie-paying banks can neither be received in payment of the public dues nor paid to the public creditors. He was sorry to be compelled to say that, for all practical purposes either to the government or the people, there were, at this time, no other banks in the country, and he was much more sorry to be compelled to believe that there would not, in a practical sense, be any such banks until after the time when Congress would be again in session. No one had proposed, and he was happy to know that no one would propose, to make the inconvertible notes of non-specie-paying banks receivable at the public treasury, and surely no one could have expected such a proposition from the committee. The revenues, then, to every practicable extent, are now receivable in gold and silver only, unless Congress shall, at its present session, create a paper upon the faith and credit of the government, and make it receivable for the public dues. Hence the absence of any immediate necessity for legislation upon this point. The committee further believed, what has already been proved to be true, that any bill upon this subject would lead to long and grave discussion, and tend to protract the session. For these reasons they had omitted to report upon this subject, and he had as yet seen nothing to change his opinion of the wisdom of their course. He still believed that the connection of these two subjects in the same bill was undesirable; that it would retard action, and, he greatly feared, embarrass the bill which the committee had reported, and the passage of which they considered to be of high public importance. The matter, however, was now with the

Senate, and he should cheerfully submit to its choice. If called upon to vote upon the propositions before it, he was ready to vote, whether they should be insisted upon as amendments to the committee's bill or as an independent measure.

"Having said thus much by way of explanation, and he hoped, to some extent, justification, of the course and action of the committee, he would now pass to a brief discussion of the bill before the Senate.

"The crisis, he said, was one of the deepest interest. Every man in these seats, every citizen of the country, felt it to be so. Still, its peculiar character could not be too often adverted to, or too firmly fixed in the memory of all. During a period of profound peace; after a series of years of unexampled abundance in every production of the earth, and every product of labor; with a currency more abundant than our young country had ever before witnessed, and standing as strong in the public confidence as our paper currency had ever stood; with ready markets, and prices higher than any former period of peace had sustained; under the influence of all these elements and evidences of prosperity and wealth, national and individual, and at the entrance upon another of those rich and fruitful seasons with which a kind Providence so frequently blesses our fertile soil — a season not surpassed by any which has preceded it in the abundance it has returned to the husbandman for his labor — at such a time, and under such circumstances, the revulsion came, and in an instant, as it were, in a single night, the whole beauty of this rich scene was changed. That currency, so abundant and creditable, became depreciated, inconvertible and debased. Those markets, so quick and active, and profitable, became stagnant and deserted. Those prices, so alluring to enterprise and industry, were changed to a priceless mass of unsalable commodities.

"That all should have inquired after the causes of this sad and sudden change was most natural. That statesmen should have done so was necessary to the discharge of their delicate and responsible duties. The President of the United States, to qualify himself for the performance of his constitutional duty of giving to Congress 'information of the state of the Union, and

recommending to their consideration such measures as he shall judge necessary and expedient,' has done this. In his message, he has given to us his opinion of the causes which have brought upon our country this sudden and sweeping revulsion. It was **not** his purpose to examine the correctness of these opinions of **the** President. No one had expressed a doubt that they were honestly entertained, and all admitted that they had been clearly, frankly and firmly expressed. They had been the subject of **able** and extended criticism in the course of this debate, and he **thought**, also, the subject of equally able and perfectly triumphant **defense**. Entertaining this opinion, he had but a single remark **to** make in regard to them, and that was, that he had heard criticism and contradiction from some quarters of the House delivered **in a** manner and in language which excited his profound regret — **in a** manner and in language which he would not, if he could (**and** he was most thankful he could not), imitate, toward friend **or** opponent.

“He had listened to the debate, however, with profound attention; and while all had their peculiar views of the causes of the **present** derangement in our monetary affairs, and while the views **of** the different speakers differed materially as to the immediate **and** most active causes, he thought there were certain general **positions** substantially conceded by all, which, being drawn out **and** placed in their proper order, would advance us very far in **the** wide field of discussion presented and occupied by the various members. He had endeavored, therefore, to place these **positions** upon paper, and to give them an order best calculated to **promote** this object. They were as follows:

“1. That wide-spread and highly injurious derangements have **been** and are experienced in the banking concerns and in most **of** the business transactions of the country.

“2. That the present embarrassments in the affairs of individuals are, to a greater or less extent, caused or greatly **increased** by the existing embarrassments in the affairs of the **banks**.

“3. That an undue multiplication of banks by many of the **State** Legislatures, and excessive issues of paper money by the **State** banks, are among the most prominent of the causes which

have brought about these embarrassments of the banks, and consequently of business generally.

"4. That a material enlargement of the specie basis for our paper circulation is indispensable to the security of the banks and the stability of the paper currency.

"5. That all banks of issue and circulation are liable to excesses, and that the State banks, from their distant locations, rival interests, and the variety and diversity of their business and associations, are peculiarly so liable, which renders it desirable and important that the fiscal action of this government should never be so directed as to promote these excesses, while, so far as that can be safely and constitutionally done, it should be so directed as to have an equal tendency, in all parts of our extended confederacy, to check them.

"6. That the powers of Congress, to prevent the evil of excessive banking by the State institutions, are, in no sense, direct and positive, but are, in whatever form they may be exercised, incidental and consequential, growing out of the expressly granted powers.

"So far he thought all could agree and walk together in this trying crisis. He was not aware that any one would controvert either of these positions, while he was sure that most of those who had addressed the Senate, in the course of this debate, upon whatever side of the House, had substantially assumed them.

"The difference seemed to arise as we passed the last proposition, and came to inquire how this incidental power of Congress should be exercised. The late catastrophe to the banks and business of the country had satisfied all that something was wrong in the working of our monetary system, but the seat of the disease, and the appropriate remedy, were questions upon which opinions differed.

"The President was bound, in recommending to the consideration of Congress such measures as he judged necessary and expedient, to point out his view of the evil, so far as he should consider it connected with and remedial by federal legislation, and to present his plan of remedy. He has done so frankly and fully; and as the majority of the Committee on Finance have agreed with him, and have reported the bill under consideration

to carry out his recommendation upon this point, it would be his duty, Mr. W. said, to examine that bill in its favorable and unfavorable influences upon the treasury, upon the government, upon the banks and upon the currency generally. The safe-keeping of the public moneys became separated from the State banks, in May last, by the voluntary suspension of specie payments by the banks, and the operation of the existing laws upon that act, and the bill proposes to continue the separation.

“Before he could proceed with his argument, he must here notice a position taken by the Senator from South Carolina, who addressed the Senate yesterday [Mr. Preston], and which position, he must say, he heard assumed with some surprise. It was, that the existing law had not produced a separation between the public treasury and the State banks; that they were not legally separated, and that the only separation which did exist was one forced by the Secretary of the Treasury, without the requirement of law and against the public interests. If he correctly understood the Senator, this was a fair statement of his argument; and he would repeat, he had heard it with surprise. The answer to it should be an extract from the law itself; and it would be found a triumphant answer. That part of the eighth section of the deposit act of the 23d of June, 1836, which prescribed the rule for the action of the Secretary upon this subject, was in the following words:

“‘SEC. 8. *And be it further enacted*, That no bank which shall be selected or employed as the place of deposit of the public money shall be discontinued as such depository, or the public money withdrawn therefrom, except for the causes hereinafter mentioned; that is to say, if at any time any one of said banks shall fail or refuse to perform any of said duties as prescribed by this act, and stipulated to be performed by its contract; *or if any of said banks shall at any time refuse to pay its own notes in specie, if demanded; or shall fail to keep in its vaults such an amount of specie as shall be required by the Secretary of the Treasury, and shall be, in his opinion, necessary to render the said bank a safe depository of the public moneys, having due regard to the nature of the business transacted by the bank; in any and every such case it shall be the duty of the Secretary of the Treasury to discontinue any such bank as a depository, and withdraw from it the public moneys which it may hold on deposit at the time of such discontinuance.*

“This was the law. What had the Secretary done? He had discontinued the defaulting banks as public depositories. Had

he obeyed the law in doing this, or had he forced the separation? It was true, as the gentleman had stated, that there were yet six specie-paying banks, and consequently six deposit banks upon the list ; but where were they located? What were the collections of the revenue at those points? What was the importance of any one of them as a fiscal agent of the treasury? The gentleman had not seen fit to give to the Senate these facts in connection with his claim on behalf of this remnant of the deposit banks, and certainly he did not intend to detain the Senate to do it. It was enough for his purpose that the connection was, for all practical and useful purposes, either to the government or the people, wholly dissolved ; and, if it again existed, must exist by a reunion, not as a continuance of any present existence.

“The conduct of the Secretary of the Treasury was complained of by the Senator. Had the Secretary attempted to force a separation between the public deposits and the six remaining deposit banks? This was not alleged. They were placed upon the list of depositories in the report of the Secretary, laid before Congress at the commencement of the present session ; and in the same statement the location of each, and the amount of public money on deposit in each, to enable the Senate and the country to judge of the importance of a continued connection with these banks as fiscal agents of the treasury, were plainly given. From this statement the assertion had been made, and was now repeated, that, for all practical and useful purposes to the treasury or the people, the connection between the deposit banks and the public moneys was at an end. Nor was the Secretary of the Treasury in any sense chargeable for the dissolution of this connection. So far from it, his own statements to Congress show that he has fallen short of the execution of the law. It commanded him, upon the failure of any bank to pay specie for its notes, when demanded, not only to discontinue such bank as a depository, but to ‘*withdraw from it the public moneys which it may hold on deposit at the time of such discontinuance.*’ Has he done this? No ; for he tells us that the larger portion of the means in the treasury, at this moment, exist in balances due from these banks as portions of the deposits they have received for safe-keeping. Has the Secretary brought suits to recover these bal-

ances when the banks have failed to make legal payment? He tells us not, except in a few cases where it was considered necessary for the eventual security of the public property. He, then, is the last person in the world who should be charged with persecution against the banks, or with an attempt to force a separation between them and the public treasury. If he is culpable at all, it is in not having obeyed the law, by withdrawing from them the moneys they held in deposit at the time they discontinued the payment of their notes in specie, when demanded. If he has violated the law, he has violated it from lenity to the banks; and all know that this lenity has been wholly compulsory, growing out of the situation in which the banks have placed themselves. So much for the charge that the Secretary of the Treasury has forced the separation between the banks and the government.

“He would now proceed to inquire what influences, favorable or unfavorable, the bill (to make this separation between all banks and the public money permanent) would exert upon the public treasury. It would give to the treasury direct possession, and a perfect knowledge of its means at all times and under all circumstances. They would consist not of bank credits but of money, and would, therefore, not be subject to any of the fluctuations to which bank credits must be always liable. The means of the treasury would be the value received, and not the mere representation of that value in account.

“It would give to the treasury the perfect command of its means. It would no longer be troubled with unavailable funds, a description of funds well known to it for the last twenty years; which have always grown exclusively out of its connection with banks; which now constitute almost its only resource for the payment of the public creditors; and the consequence of which character given to the means of the treasury, so far as he was informed, had, more than any other single cause, compelled the convention of Congress at this inconvenient and, he thought he might safely say, dangerous season of the year. It might be well, here, to define this term ‘unavailable funds,’ as applied to the means in the public treasury. He understood them to consist, now and upon all former occasions, either of bank notes,

which the banks issuing them could not redeem in specie, or anything else which would pay the debts of the government; or of moneys received by the banks for safe-keeping, and which they could not pay, upon demand, in the legal currency of the country, or in any currency which the creditors of the government would consent to receive as money. An entire separation from banks would, of course, relieve the public treasury from this embarrassment for the future. It would, at all times, enable the treasury to pay the demands upon it, when the money of the people had been collected and placed in its keeping for that purpose; whereas, under the connection, these moneys were liable to become unavailable in the hands or the banks, and the people again to be called upon to raise, either from their pockets or upon their credit, the means to pay those very debts for the payment of which they had once provided, by depositing the money in bank.

“A continuance of the separation would further relieve the treasury from the necessity of using its means to sustain the credit of banks, when revulsions in trade and general shocks to credit should bring the banks in jeopardy. These revulsions must be always more or less frequent in every commercial country, and most frequent and most severe in those which most extensively adopt a system of paper or credit circulation and currency. If, then, the means of the national treasury are confided to the safe-keeping of the banks which furnish that paper or credit circulation and currency, they must be always subject to the fluctuations, revulsions and incidents to which the credit of the banks are subject. They become mere credits with the banks, and cannot be exempted from the influences which affect its other credits. Can the fiscal officers of the government, then, neglect to put forth their exertions and the means at their command to sustain the credit of those banks, when occasion shall call, whose credits constitute the means of the public treasury itself? He was not ignorant of the fact that loud and startling complaints had been made in this hall against a late Secretary of the Treasury, upon the mere suspicion that he had used the means of the treasury to sustain the credit of the deposit banks; but would any gentleman deny that, under this concise and practical view of the consequences of a connection between the treasury of the

people and the banks, it must frequently become the imperious duty of that officer, a duty as binding as that of keeping the treasury in a situation to answer the calls upon it, to exert this power, and so to locate the means of the treasury as to render it as effective as possible? The consequence was unavoidable; and still the exercise of such a power would always be odious in a political sense, and must always be more or less invidious in a financial sense. It could never be exerted equally toward all the banks, but must be used especially in favor of those which should be, for the time being, the depositories of the public funds. Its influence, then, might often be unfavorable, and even injurious toward institutions which had promoted, as much as any other, the collection and prompt payment of the public revenues, but which should not, on the day of trouble, be safe keepers of any portion of those revenues. Is it not desirable, if it can be done with safety to all interests to be regarded, to relieve the treasury, and the head of the fiscal department of this government, from this always so delicate, and frequently so odious, an exercise of the power and influence of the public funds upon the credit of the banks and the business of the country? He must say that a proper national pride, and a just feeling of patriotism, seemed to him to demand it, at any expense short of the positive sacrifice of some paramount public interest.

“A further benefit to be derived from a system which shall make the treasury the keeper of its own means, and especially if those means shall be collected and disbursed in the legal currency of gold and silver, or of paper issued upon the faith and credit of the government only, will be a perfect uniformity of value in the collections and disbursements of the treasury, wherever made. Its operations will become stable and certain in every sense, and all the contracts with the government may be made without the customary deductions on account of the anticipated receipt of a depreciated medium of payment. Every citizen can make his proposals for the public works or public supplies, wherever may be the place of his residence or the place of payment under the contract, based upon the par of money, and will not be driven to an uncertain calculation upon the fluctuations of exchange and the uncertainties of credit.

“These are some of the benefits to be anticipated to the public treasury from a permanent separation from the banks. What are the injuries, the unfavorable influences, if any, to stand against these benefits? He had heard but one suggested, so far as the interests and conveniences of the treasury are concerned, and he must say but that one had occurred to his mind. The expense and trouble of remitting specie, in cases where that should become necessary, was, he believed, the only drawback upon the treasury for all these benefits, and a short examination would show the weight of this objection.

“Under the system of bank deposits, drafts from the Treasurer, upon the different depositories, and from one depository upon another, are made the medium of remittance in all ordinary cases, and, where the drafts are fully credited, supersede the necessity of an actual transportation of the money in almost all the operations of the public treasury. Nothing in the system proposed prevents the use of the same medium for remittance and exchange. The drafts of the Treasurer of the United States upon a receiving officer of the government will certainly have as good credit as his drafts upon a deposit bank, and when they are known to be drawn upon the specie in safe-keeping, and upon nothing else, they cannot fail to be as acceptable to the public creditor as any similar drafts have heretofore been. The trouble and expense, therefore, of transporting specie funds from one portion of the country to the other, for disbursement to the public creditors, will not probably be more extensive under this bill than under the bank system, which it proposes to supersede.

“But we here meet an objection from the Senator from South Carolina [Mr. Preston], which requires an answer. He says the system proposed, thus carried out, will constitute a bank, a bank of discount, a bank of issue, a national bank, a government bank. He reasons thus: One of the depositories constituted by the bill will make its draft upon another and deliver it to the public creditor. The receipt of the draft by the public creditor is a discount of the paper of the officer making it. The person receiving the draft may transfer it to his neighbor before it is presented for payment, and it may pass from hand to hand before it finds its way to the officer upon whom it is drawn, and who

has the specie in keeping for its payment. This will convert the draft into an issue of paper, and as it is drawn upon specie funds in actual deposit in the hands of the drawee, the whole machinery must constitute a bank, and a bank, too, of deposit, discount and issue. Now, the only answer which this argument requires is simply to say, that if this constitutes a national bank, a government bank, or a bank of any sort, then we have had such a bank under the system of deposit with the State banks, because the public disbursements have constantly been made, and the public funds distributed and equalized by exactly similar drafts. He saw no force whatever in the argument, unless it was designed to frighten those who, like himself, were not very partial to banks of any description, and were most distinctly hostile to a national or government bank, with the apprehension that such a bank was insidiously buried under the bill, and would be disinterred and spring into life at its passage. Now, he was ready to say to the Senator from South Carolina, and to all the friends of that Senator, who were so very anxious for the establishment of a national bank, that, opposed as he was to such an institution, in name or in principle, if they would compromise by the acceptance of such a bank as this bill would establish, they should have it with his cheerful assent, and this long and heated agitation about a government bank should be forever amicably settled.

“He would now look at the influences of this measure upon the government.

“It would discharge its legislation free from bank influences of all sorts. He spoke not of improper or corrupt influences, but of those constituent interests which must be represented in Congress so long as the connection between the public treasury and banks of any description was maintained. He addressed those who must understand him, and who must have seen and felt these influences in our official action here. Who, he would ask, had occupied one of these seats for the last five years, and had not seen the power of this influence upon our deliberations? Who had failed to see that it was an influence more nearly overpowering and beyond our control than any we had been called to encounter? Who did not see and feel it now as pressing upon us with a giant force? It was true we had formerly

and most usually encountered it in the consolidated form of a national bank, and that it now presented itself to us in State detachments; but it was the same influence similarly exerted. It was the effort of cupidity on our free institutions—an effort to make money out of the money and means and credit of the people.

“He uttered these sentiments with extreme reluctance, and with the most extended charity toward all those who differed from him. He knew well that not only political opponents, but those who had ever been political and personal friends—those toward whom he had ever entertained and still did entertain the kindest feelings—did differ with him upon these points. He most cheerfully yielded to their integrity, sincerity and patriotism every indulgence which he asked for himself; but the crisis, the importance of the questions presented, and our imperative duty to our constituents, demanded from us frank and fearless action.

“Was it not, then, in case he was right, most desirable to free the legislation of Congress from bank influence altogether? Would it not tend, more than any other single act we could perform, to take from our debates and deliberations that bitterness and acrimony which had too strongly characterized them for the last few years, but which, he was proud to say, had entered in a much less degree into the present debate in the Senate than into any similar debate for many years? For himself, he felt that this consideration alone demanded the passage of this bill: that it was entirely paramount to any objections he had yet heard urged against it; that it was as much superior to considerations of financial convenience and pecuniary profit as was the purity and permanency of our political institutions to the temporary advantages of a bargain or the facilities of borrowing money.

“This was not the only advantage the government would derive from a permanent separation of its finances from the banks. It would discharge it from that eternal round of imputations to which, under the connection, its every fiscal action is subjected. If it be a time of prosperity and plenty, all are struggling for the profits arising from the safe-keeping of the government funds; and the failure on the part of its fiscal officer to select a given bank as a public depository is not only matter

of **personal** offense, but is immediately converted into the active **cause** of all the pecuniary calamities which the friends and customers of that bank may experience through all time to come. If it be a time of scarcity and pressure, like the present, the drafts of the Treasurer upon the money of the people in safe-keeping with the banks is a ruthless attack, a war upon them, and is intended to prostrate the institutions. The former keeping of the funds becomes a merit and a virtue, and to ask for their payment to the public creditors is ingratitude and injustice.

“ If the executive, in the exercise of a sound discretion, sees proper to issue an order requiring payment in money for the whole, or any portion, of the public revenue, this is converted into an attack upon the banks, a distrust of their credit and solvency, and a wrong inflicted by the government upon the whole people. Can it be desirable to preserve a connection which is the subject of incessant complaint on the part of the banks and their friends, and of constant embarrassment to the operations of the public treasury, and of imputation upon the most faithful and worthy public officers? He thought not. He considered this connection of the fiscal affairs of the government with the credit and business of the banks, and of business and commercial men, and the constant imputations brought upon the government thereby, as promoting a political morality in the public mind most dangerous to our institutions; as doing more to weaken the confidence of the people in the government of their choice, than any and all other causes of distrust combined. If we would listen to the slander and misrepresentations of the times, we must believe that all our misfortunes, public and private, are imputable to our government — all our prosperity to a resistance to its measures and its policy. And whence do these imputations come, but from our connection with the banks? They all emanate from that source, and from no other. That connection is now dissolved, by the operation of law and the voluntary action of the banks themselves; and he would say, let it be perpetual — let it never be renewed.

“ The effect of this measure upon the banks should next occupy his attention.

“ It had been considered as a measure of open and violent hos-

tility to those institutions, as fraught with unmixed evil to them. Was this the true view of it? Had it these exclusive tendencies? He thought not, and he would attempt to point out some positive benefits to the banks from its adoption.

“It would leave the State banks to operate upon their own means — upon the capitals which the respective State Legislatures had thought proper to give to them, and upon the funds derived from their private depositors. These means would be perfectly certain and uniform, so far as they consisted of the capitals of the banks, and would be subject to no dangerous fluctuations, so far as they consisted of private deposits. Hence the action of the institutions could always be regulated by a certain standard — the extent of their means for the accommodation of their customers. This would discharge them from the inducement to those dangerous expansions and contractions, which not only promote, but cause, revulsions such as that under which the country now suffers.

“The government has been charged with being the cause of the present pecuniary embarrassments of the country, and he thought not without some foundation; but he considered the connection between the treasury and the banks the only foundation for such a charge. What had we done? We had deposited our funds in the State banks. A period of unexampled prosperity had visited our country. Importations had become excessive, and the duties thereupon had swelled the public revenue from that source beyond all reasonable anticipation. The banks received the excess of revenue which the wants of the government and the public appropriations did not call for. The same causes promoted unusual and unexampled sales of the public lands, and thus, from both of the great sources of revenue to the United States, streams were poured into the public treasury, widened and deepened by their own accumulation and velocity. The banks were the safe-keepers of the public funds, the fiscal agents of the treasury, and they were also the reservoirs from which the importing and other merchants drew their means, and from which the speculating purchasers of our immense domain were supplied with funds for their operations. So far as the government was concerned the consequences are obvious. The

moment the revenue exceeded the wants of the treasury, the excess fed the passion they ought to have controlled. The banks were the receivers and the payers. They received, to keep for the government, and loaned to the merchants and purchasers of our lands. The system, in fact and in practice, was one of indefinite credit for both duties and lands. The money paid for both went into the banks for safe-keeping. The treasury did not want it or call for it for payment of the public dues. The banks loaned it to their customers, who were the payers for duties and lands. Under these circumstances, and this action of the system, excesses were inevitable, and they had visited their consequences sweepingly upon the country and upon the treasury itself.

“Ought not this state of things to be a lesson to the wise not to renew a connection which had been so disastrous to every interest involved? To the government and the public treasury, as a creditor of the banks; to the banks, as debtors to the treasury and creditors to the citizens; and to the people at large, and especially to the commercial community, as debtors to the banks.

“That the times have promoted overtrading and overbanking no one will deny; but that the connection between the government and the banks, and the forty millions of dollars of surplus funds in deposit with them, immensely increased the overbanking, is equally undeniable. It is not to be expected that the managers of banks will keep money without making profitable use of it, when that use is presented and urged upon them. This remark was not made in censure of the officers of the deposit banks. Their stockholders, and the community about them, knew that they were in possession of the funds; and the use would be demanded, nay, he might say commanded, had the officers of the institutions resisted. The evil lay farther back. It was in placing and retaining the funds in the banks, which the immediate calls upon the treasury did not require.

“The fault of the government, however, did not stop here. We passed a law exacting from the banks interest for these funds, and thus not only sanctioned, but compelled, their use of them in their ordinary loans and discounts. Could a bank keep money and pay interest upon it, and derive no interest from its

use? Most certainly not, and we therefore compelled the banks, by our express legislation, to promote the evils of which we now complain. We compelled them to loan our money, in their hands for safe-keeping, by charging and exacting from them an interest for its use, and thus stimulated them to increase the excesses of overtrading and overbanking. We furnished them with a capital of some forty millions of dollars, and forced them to use it in making loans.

“Can anything more strongly or clearly show the impolicy to every interest of any connection of a financial or interested character between the local banks of the country and the treasury of the nation? The imputations cast upon us, as having caused the present pecuniary embarrassments of the country, have this justice, and let us discharge ourselves from similar imputations for the future. Our real fault has been, not that we have unduly checked the excesses of the times, but that, in the outset, we promoted the expansions by the banks which necessarily led to those excesses, and that all our efforts, legislative and executive, have been insufficient to avert the catastrophe which has now come upon the country. We see our agency in the mischief, when it is too late for us to apply a remedy. The incidental relief in our power we have already offered to the country, so far as the action of this body is concerned, and now let us pass this bill, and protect ourselves against all imputation as wrong-doers for the future.

“A further benefit to the banks, to be derived from a continuance of the separation, is, that when they shall win the public confidence by their sound management and permanent means, they will possess and retain it, independent of public patronage, independent of any action of the federal government, and exempt from the fluctuations which congressional legislation or executive discretion may otherwise cause. This is the description of public confidence which these institutions should possess and rely upon, and these should be its foundations. Its own capital, and the integrity and ability of its managers, should be the dependence of a banking institution; not the uncertain and changing patronage of any body, much less the fluctuating and dangerous patronage of governments, State or national. A credit founded upon

such patronage must be delusive. To-day you deposit with a bank a million of dollars ; to-morrow it extends its accommodations upon the strength of your funds in its keeping; the day following its favored customers expand their business and enlarge their credits; on the fourth day you require your funds, and draw upon the bank for them. Your deposit has given to the bank a false confidence in its means; its extension has given its customers a false estimate of its ability to indulge them; their expansion has given the community false expectations as to their power of indulgence; and your call for your money undeceives all, after the mischief is done, the excess committed, and just in time to produce the derangement and distress and suffering which must always, sooner or later, follow excessive credits and mistaken confidence. The institutions which are to furnish to the people of this country a circulating paper to answer the purposes of money, ought not to be subjected to fluctuations of this description. Their love of gain ought not thus to be stimulated, and especially by this government, which has none but an incidental control over their proceedings. They should be left by us to operate upon their own means, to rest their credit upon their own ability and good character, and not upon our funds.

“ But it is said the withdrawal from the State banks of our confidence, countenance and patronage, in this particular, will prostrate and destroy those institutions; that the attempt to separate the finances of this government from them is, in effect, a declaration of war against them, which they cannot survive. Is this, can this be so? Will any sound and solvent State bank fail because the United States does not intrust to it the safe-keeping of the moneys of the people? Did the State Legislatures, in chartering those banks, expect or intend that their credit or solvency should be sustained by the legislation of Congress, or the use of the funds of the federal government? If so, why have they limited and fixed their respective capitals, and attempted to set bounds to their operations? Why have they assigned different amounts of capital to different banks, dependent upon their location and business associations? Certainly no other answer can be given to these interrogatories than that they intended that each bank should have a capital equal to the wants

of the business community surrounding it, and that all the banks of their creation should have a credit and confidence with the people, and should transact a business proportioned to the capitals granted to them respectively, and not beyond that limit. You, then, by making your deposits with these institutions, destroy the proportions which the State Legislatures have intended to establish and preserve. Your deposits are treated as capital by the banks, and an extension of their loans, and an augmentation of their business, beyond that which their own means would allow, is the necessary consequence of your patronage. Can this disposition of your moneys fail to promote excessive banking? The members of the State Legislatures have a knowledge of the business wants of all the places at which they locate banks, and their object is to measure the banking capital at any given point by the wants of business at that point. When they have done that, you come in with your deposits, distributed not upon the basis which governs the State Legislatures, but according to your own convenience for receipt or disbursement. The consequence is that you pour your millions into these State institutions, without reference to the legitimate business calls for banking facilities at the points where your deposits are made, and thus derange and destroy the proportions, as to these facilities, which the local Legislatures have determined to be safe and proper. In this way your patronage becomes an evil, and not a benefit. It stimulates the cupidity of the banks, and they, in turn, stimulate the cupidity of the business community around them, until excesses on the part of all produce revulsion, distress and bankruptcy.

“Still it is urged that our withholding this evidence of our confidence in the State banks will destroy their credit and prostrate the institutions. Will any one pretend that the States have rested the credit of their banking institutions upon the patronage or confidence of this government? Can that man be found who will admit that, as a member of the Legislature of his State, he has voted for banks with the expectation that they must be solvent or insolvent, as the pleasure of Congress shall determine? Will not every such man tell you that he has given to the banks which he has aided to create a capital stock up

which its solvency and credit with the people is to rest? That with honest and prudent management each bank has within itself, and under its own control, the elements of its own prosperity, and is not dependent upon your smiles or to be ruined by your frowns? This ought to be so, and is so.

“How was it with the State banks during the period from 1816 to 1836? The Bank of the United States then enjoyed the exclusive privilege of keeping the public funds, and its notes alone were by law made receivable in payment of the public dues. Were the State banks discredited or ruined then? Was that separation between them and the funds of the government treated as a war upon them, a war of extermination? No, sir. The operations of these institutions were never more stable and safe than during that period, nor did they ever stand stronger in the public confidence than then. Away, then, with the idea that the solvency or credit of the State banks rests upon our patronage or favor, or that our frown upon them is annihilation.

“He knew that were we to withdraw our confidence from a particular bank, and extend it to all others, the inference would justly be that we suspected its solvency and responsibility, and that this might do it injury. But when we separate ourselves from all banks, State or national, and declare our object to be a political as well as a financial separation, will it be said that we cast distrust upon the banks which will destroy their credit? Will it be contended that the banks established by the States have a right to the safe-keeping and use of the revenues of the nation? He thought not. And if not, then could the separation of our finances from them be justly termed a war against them? No. The position was absurd and unsustainable. He had no feeling of hostility to the State banks, but he was not to concede their right to the possession and use of the moneys of the people, lest they should choose to consider a denial of the right an act of hostility. He would go as far as any man should go to protect these institutions in the full enjoyment of all their constitutional and legal rights; and he would go quite as far to compel them rigidly to fulfill their most sacred obligations to that confiding people who take their promises to pay upon demand as money.

“In every light, then, in which he could view this matter, it

was his deliberate opinion that the banks would be benefited and not injured by making the existing separation between them and the public treasury perpetual. The passage of this bill at this time might have some tendency to weaken the confidence of the community in the institutions; but, if such a consequence must attend this change of our policy, could there be a better time than the present to make that change? The banks were now, he would not say insolvent, for he did not believe that was the condition of any large portion of them, but unable to pay the demands upon them. That fact was avowed by themselves and known to all the world. They were in a *quasi* insolvent state, and all the distrust which could grow out of such a condition they had brought upon themselves by their voluntary suspension of specie payments. It was in vain, then, to talk of the delicacy of their present credit. That delicacy had been destroyed by their own act, and before they could ever again restore themselves to the confidence of the community they must be sound in fact, and able to discharge to the fullest extent every obligation which general distrust could bring against them. It was erroneous to suppose that they could ever resume and sustain specie payments until they were thus prepared and thus armed. They must build up for themselves a new character, based upon a perfect fulfillment of all their obligations. If, then, we are to separate from them, and that separation is to have any tendency to affect their credit, this is the very period when it is most desirable to them that the declaration of a perpetual divorcement should be made. Now it can do them no harm. They are already in a condition from which main strength alone can raise them; but at a time when their credit was unsuspected, and their operations unembarrassed and unimpeded, the measure might give them an injurious shock. Let it be done now, therefore, that when they do rise it may be distinctly known that they rise upon their own strength, unaided by our patronage and untrammelled by our movements.

“Mr. W. said he had touched but incidentally the question of the receptibility or non-receptibility of the notes of the State banks in payment of the public dues. He did not now propose to detain the Senate by remarks upon that point. The propos-

tion affecting that question had not come from the committee, but from a member of the Senate in his place, and to him he should leave the discussion of that topic. For himself, he agreed with the view of this matter which he understood his honorable colleague to take, that, in case the deposits were confined to the safe-keeping of the officers of the government, it was a question of much less interest to the banks than seemed to be generally supposed. If the banks were not made the depositories, it could not be supposed that their notes, if made receivable, would be retained for any length of time in safe-keeping. It would be a necessary result of this mode of keeping the public funds, that all bank-notes received must be presented at short intervals for payment; and he could not see that it would be any very valuable favor to the banks, as a permanent system, to receive their notes merely for the purpose of immediate presentment and payment. In this respect he was fully conscious that the change should not be precipitate or rash; most especially it should not while the heavy balances remain due to the treasury from the late deposit banks. For this reason the graduation provided for in the amendment proposed by the Senator from South Carolina [Mr. Calhoun] met his approbation; nor did he think time very material upon this point, and he should be willing to make the graduation even more slow than that proposed, in case any important interest would be favorably affected by further time. The preservation of the principle was what he wished, but he did not desire rashness or precipitancy in bringing it into practice.

“He would now examine very briefly the influences which he supposed this measure would exert upon the currency generally.

“It would give a stable and uniform value to the currency received into and paid from the public treasury, in whatever portion of our widely extended country the receipts or payments should be made.

“It would also preserve the currency of the treasury at the standard fixed by the Constitution and the laws of Congress, and guaranteed to all the citizens of the country, as the only currency they should be compelled to take in payment of debts.

“It would stimulate, if not compel, the banks to elevate their paper currency to a level with the currency of the public trea-

sure, and would go very far to measure the public confidence in these institutions by the standard which regulates the currency received and disbursed by the government. If they keep their paper up to that standard of value, it will have currency and confidence; and if they do not, it will have neither. There will be a rule for judgment which cannot err, because it will be a rule of intrinsic value, and not of paper credit.

“In this sense he deemed the measure of immense national importance. Hitherto the standard of currency fixed by the Constitution had been, in practice, erected nowhere; while the banks, State and national, had been left to establish the standards of value in all quarters of the country, and these standards had been as various, at different points, as the fluctuations of trade could make them. The fiscal operations of the federal government had hitherto been made, to every practical extent, to follow the interests of the banks, and the uniformity of receipts and disbursements in the various portions of the Union had only been the uniformity of bank credits and the uniformity in value of bank paper. It was high time that a more permanent standard, and one in conformity with the Constitution, should be established. Congress alone could establish it; and Congress, in his judgment, could only establish it in connection with the receipts and disbursements of the public revenue, and to the extent of those receipts and disbursements. He hailed this measure, then, as one calculated to produce this great reformation, and to bring us back to the starting point of 1789. With these feelings he advocated it, and hoped for its passage.

“A further beneficial tendency of this measure will be an extension of the specie basis for our broad paper circulation. This is admitted by all to be a matter of indispensable necessity. Who then should contribute to it, if not the federal government? Are the banks expected to do it, when it is in the very face of their interests to promote the circulation of the metals? Are the States to do it, when they cannot ‘coin money or regulate the value thereof?’ Whence is this great good to the people of the country to be derived, unless Congress shall bring its powers to aid in the work? And how shall Congress accomplish this purpose but by the receipts and disbursements of the public revenue?

“The adoption of such a system by Congress would constitute a point, in the broad field of our currency, exempt from the fluctuations and revulsions to which a currency of credit must be always subject. It would be a fortress to which public confidence would retreat in times of trouble, and within which it would remain uninjured, however violent the convulsion which should shake the monetary world. Now we were without any such rock of safety. The storm, which was now sufficiently powerful to agitate the great ocean of credit, shook alike the treasury of our country and the humblest bank. This ought not so to be. The finances of a rich and powerful and prosperous nation ought not to be subject to these fluctuations. They ought to be exempted from the reverses and revulsions to which private cupidity will always subject the business of an enterprising people. Place them upon the basis of a currency of intrinsic value, and you accomplish this great object. Leave them to stand upon the credit of banks, and you insure the recurrence of a crisis like the present, when, with abundant means in account, your treasury is destitute of means at command.

“But we are told that the passage of this bill will establish one currency for the government and its officers, and another for the people. This argument has been repeated from various quarters of the House, and he was disposed to consider it as advanced in all candor and sincerity, and to reply to it in the same spirit.

“He must premise, however, that he could not comprehend this mode of treating the government and the people of this country as separate interests, much less as antagonistic interests. He had supposed that our government consisted of mere servants of the people, charged, in their several stations, with the execution of the will of the people; and that, beyond the execution of that temporary trust, the officers of the government were, to the extent of their numbers, the people themselves, and one with them in feeling and interest. How, then, it would be possible to create or establish a currency which, properly and practically speaking, should be a currency for the government, and should not, at the same time, be a currency for the people, was entirely beyond his comprehension. The officers of the government principally reside in the country, and among the people. They

receive their compensation, whatever it may be, from the **people**, and the expenses of themselves and their families are paid, **like** those of other citizens, to the people from whom they **purchase** and with whom they deal. The currency they receive from **the** people, as a compensation for their services, they must pay to **the** people in discharge of their debts; and how a currency **thus** employed, received from the people and paid back again to **the** people, could be a government currency, as contradistinguished from the currency of the people, he must again repeat, he **could** not at all comprehend.

“But he would look at the argument in another aspect. **It** necessarily presupposes that a better currency is to be secured **to** the government and its officers and a **baser** for the people. **The** currency proposed to be secured to the national treasury is **gold** and silver, or their equivalent. The currency which the **argu-**ment assumes the people are to have is bank paper. **What**, then, do those who use the argument **assume**? Most certainly that the currency of bank paper is always to be **baser** than **the** currency of gold and silver; because if the currency of paper **be** equal in value to the currency of gold and silver, then the **argu-**ment has no force, as urged, to show that the government **and** its officers are to be preferred in our legislation to the people **at** large. Taking the argument with this assumption, and in **what** predicament do those who use it place themselves? They, **by** their own assumption, urge us to adopt, by a law of Congress, a standard of currency for the treasury of the nation **baser** **than** gold and silver, to avoid the invidiousness of giving to **ourselves** a better currency than the people are to have. Has this **argu-**ment been well considered and its consequences duly **weighed**? He thought not, or it would not have been presented.

“Gentlemen might suppose it popular to talk about the **cur-**rency of the people as base and depreciated, but they would **per-**mit him to ask to whom are the people to look for an **elevated** standard of currency — for a standard of currency such as is **guar-**anteed to them by the Constitution — if not to Congress? **Shall** they look to the banks? The complaint of the argument is **that** the banks are to furnish them a base paper currency, while **the** government secures to itself a currency of gold and silver. **Are**

they to look to the States? They have no power to fix a standard of currency even for their own citizens, much less for the nation. They must, then, look to Congress and to the Constitution. And what shall Congress do to promote the interests of the people in this matter? Fix a standard of value baser than that which the Constitution has guaranteed to the people? Adopt bank paper as the standard of value of the country, for fear that the government will have a better currency than the people? Can the people ever have a better currency than the government, so long as the regulation of the standard rests with the government? Most certainly not. If we adopt a standard baser than the coins, the people cannot elevate it. If we keep our standard upon the level of the Constitution, the people can compel the banks to come up to that standard, because no law can obligate them to receive the paper of the banks or to give to them their confidence, and they will, of course, do neither, unless the banks furnish them a currency equal to the legal standard of the country; but adopt by your legislation a baser standard than gold and silver, and do you think — does any one think — that the banks will furnish a better currency for the people than you prescribe for the public treasury? No, sir. The supposition would be absurd. If you do not fix and maintain a proper standard of currency none can exist in the country. If you adopt and adhere to the constitutional standard in your transactions, the influence of your example will be all-powerful with the banks and with all future State legislation in regard to them.

“The Senator from Massachusetts [Mr. Webster] manifested some alarm, lest the officers of the government should be set down at the first table and the people left to supply themselves at the second. He was one of those who claimed to be as democratic as the honorable Senator, and as unwilling to degrade our masters, the people; but if the cook were to supply the first table with base food, in order that the master of the mansion might sit at it with the servants, he could not believe that the honor of the situation would compensate for the unwholesome character of the bill of fare. Would it not better comport with the duty of a faithful servant to provide sound, healthful, nutritious food for every table, and thus enable the master to consult

his pleasure as to which he would be fed from, without danger to his health. True, if bad food were not provided and cooked the servants could not eat bad food, but it was as true that if sound food were not provided the master could not have sound food, whatever table he might choose it from. If we do not provide a sound standard of currency, our masters, the people, cannot enjoy a sound currency, for to us they have intrusted the duty of selecting and establishing that standard. We act for them and not for ourselves, and the standard of currency we adopt for the public treasury is adopted for them and not for us.

“Another argument, very nearly allied in character to the last, is urged against the passage of this bill. It is said its effect will be to raise the salaries and compensations of the public officers. Some have stated the increase to be equal to ten, some to twelve and a half, and he believed he had seen some statements raising it as high as twenty per cent upon the present compensations. What foundation had this argument? The same as the former. It went upon the assumption that the currency of the country was now, and was always to remain, base and depreciated; that a dollar of currency was not, and was not to be, equal in value to a statute standard dollar. Look at the position in its true light, and its fallacy will be instantly manifest. The compensations of all public officers are fixed by law. Take our own compensation, for example. We are to receive a given number of dollars per day for each day of our service. This is the contract between us and the people. How, then, are we to be paid? Are we to have eight dollars for each day we occupy these seats, or are we to have eight promises of some bank to pay, which are worth but four dollars? Does any man doubt which was the intention of the law? Will any man contend that we are overpaid if we receive eight dollars in gold or silver, as the value thereof is regulated by Congress? Will not all admit that we are not paid according to the law unless we receive that value? But, say gentlemen, gold and silver bear a premium in the market, and therefore any given amount, paid in the standard coins of the country, is overpaid to the extent of the premium upon the coins. Here rests the error. The premises are false, and the conclusion therefore falls to the ground. Gold and silver do not, and cannot,

properly speaking, bear a premium. An American silver dollar can no more be worth one hundred and ten or one hundred and twenty-five cents, in this country, than a standard pound can weigh a pound and a quarter. The one thing is as impossible as the other. Both are themselves standards, the one of value and the other of quantity ; and the former can no more vary than the latter. The dollar is worth exactly one hundred cents. It is the measure of that value, and cannot be worth either more or less than that sum. It is itself the par of money. Whatever is above it bears a premium, and whatever is below it is at a discount. This error in computing the value of money and the value of our paper currency is so universal, that it is not singular this argument should appear plausible to most minds without a somewhat close examination. All the statements we see published adopt the value of the paper as the par of money ; and because the gold and silver are more valuable and command a higher price in the market than paper, they are said to bear a premium. The error arises from adopting an erroneous standard for the par value. The paper is not par when gold and silver are worth more than it. They are the par and the paper is depreciated. A moment's reflection will show every man that this is the true position. Why, then, it will be asked, are not the statements of the market value of our currency, daily published to the country, made upon the true and not upon a false basis ? The boards of brokers and bankers and dealers in money would probably be able to account for the manner in which these statements are made. It is much more acceptable to them, and doubtless much more favorable to the circulation and credit of the depreciated bank paper, to use it as the par, the standard of value, and to present gold and silver at a premium, as being actually worth a tenth beyond its statute value, its value as a tender in the payment of debts.

“A single fact which transpired in this city but a day or two since will show the practical effect of this mode of computing the value of money. A member of the Senate, within the last few days, related to me the following incident : The Senator stepped into a shop upon the avenue to purchase some small article. The price was given to him by the shopkeeper at eighty-

seven and a half cents. He presented a dollar in silver to make payment, when he was informed that the price was given at eighty-seven and a half cents under the expectation that payment would be made in paper, in 'shin-plasters,' as they are called, and that it was but seventy-five cents if paid in specie, and he received a quarter of a dollar in change and the article he desired. Was this difference of price a premium upon the silver? No, sir. It was an addition to cover the depreciation of paper. The seventy-five cents was the value of the article in money. The eighty-seven and a half cents was the value in depreciated paper. This little incident shows us the tax which would be imposed upon the public creditors, including the officers of the government, if we were to pay them in a depreciated currency. It shows us that we should, at once, sink their compensations about one-sixth, that would be the additional charge against them for every necessary of life, because they must make payment in a currency so much depreciated. It shows us also the immense tax which the whole community must pay so long as they are compelled to use a base currency; and shall we then be urged to adopt a standard of currency for the public treasury below the value of gold and silver?

"A third argument against the passage of this bill, urged with great zeal and earnestness by those who put it forth, is, that it will extend most fearfully the executive patronage of this government; that it will tend to strengthen the executive arm, to the danger of public liberty itself. He would examine concisely this startling objection. The bill creates no new officers. It proposes to intrust the safe-keeping of the public funds with the officers who now collect them. These officers are all appointed by the President and Senate, by the President alone, or by the heads of some one of the executive departments. They are all public officers of the government, responsible to it and to the people for their official acts. They are all now removable at the pleasure of the President. The bill does not propose to change the mode of their appointment, or to increase their liability to dismissal from office by the executive. In what way, then, does it increase the executive power over them, or strengthen that arm of the government for good or for evil? He would take a case, the more

clearly to illustrate his views; the collector of the port of New York, a place of high trust and responsibility already, and to be made much more so if this bill becomes a law, is appointed by the President, by and with the advice and consent of the Senate; he is removable at the pleasure of the President without cause, either proved or assigned; this is the relation of that officer to the executive branch of the government under the existing laws. Does the bill before us propose to change that relation? Not in any way whatever. It merely proposes to make that officer keep and disburse the money he collects, instead of handing it over to a bank for safe-keeping; and it will require that he should strengthen his official bond and sureties to meet the increased official responsibility. But would any gentleman explain to him how the power or influence of the executive over the officer was to be increased by these proceedings. That power and influence could only be exerted in reference to his appointment to or removal from office; and the existing law upon that subject was not to be changed. The office was made no more valuable by this addition of duty and responsibility, and, therefore, the bill would cause no increase of a desire for the possession or retention of it.

“It was a mistake, then, of fact, that the executive patronage was increased, or the executive arm strengthened by the provisions of the bill. It was a delusion which gentlemen had permitted their imaginations to practice upon them, which had no foundation in the proposed law. This would be rendered more apparent by the fact that this argument was most urged by those who preferred a return to the system of deposits with the State banks. Had any gentleman, who had occupied a seat here for the last few years, or who had turned his attention at all to the proceedings of Congress since the public moneys were transferred for safe-keeping from the late Bank of the United States to the State banks, forgotten the vivid pictures, daily drawn upon this floor, of the immense stride which had been taken by the executive power in the adoption of that system of deposits? Were we not constantly told of the army of bank agents, bank officers and bank directors, persons unknown to the Constitution and the law, and not responsible to Congress

or the people, which that system had brought within executive influence, and engaged in the service of the executive? Who did not then feel that there was some force in these remarks? And who that was a friend to the then administration did not struggle incessantly to procure the passage of some law which should bring that system of deposits within the power and control of Congress? And are we now to be urged to return to that system, to re-enlist that numerous body of bank managers, and reconnect them with the executive branch of the government, to prevent an extension of executive patronage and power, by the simple employment of officers of our own appointment, directly responsible to the people, and to the representatives of the people here? The position was absurd. It was to urge us upon the very evil we were cautioned to avoid; to embrace a danger existing in its worst form, to discharge ourselves from one of a merely imaginary character.

“No, sir; if gentlemen would take a calm and dispassionate view of this subject, they would see that the bill would increase immensely, fearfully, the executive responsibilities, not the executive power. If the system proposed be adopted, the people will hold the President responsible for his selection of the officers to be intrusted with the safe-keeping of their treasure; and they will hold the head of the Treasury department responsible for an incessant and sleepless vigilance over these depositaries. This will be the influence the bill will exert upon the executive branch of the government. It will throw upon the executive officers a great increase of care and responsibility — not an increase of power or influence.

“Indeed, so strongly had this increase of responsibility, even upon the minor executive officers, impressed itself upon the mind of one of the gentlemen who had addressed the Senate [Mr. Rives], as to induce him to entertain the apprehension that men of proper character, standing and responsibility could not be found willing to accept the trusts. For himself, he was almost ready to say that he wished he could entertain more apprehension upon this point than the argument of the Senator had inspired him with. He had no fear of living to see that period when the lucrative and honorable and desirable offices of this government

would go begging for incumbents; when candidates, of the most unquestioned qualifications in every sense, would not voluntarily present themselves, and conflict with each other for the places. At points where the emoluments of office did not present adequate temptation, the collections must be small and the trust light; so that he was at perfect ease upon this point, and had only alluded to it to enforce his own position, that the bill was calculated to increase executive responsibility, not to extend executive power.

“A fourth argument against the bill claimed a passing notice. It was that it would work the entire destruction of credit in the country. This appeared to him to be, most clearly, an objection springing from an excited imagination. What were the premises from which this frightful conclusion had been drawn? State them in their worst form and utmost extent, and what were they? That the government of the United States was, hereafter, to confine the safe-keeping of the public moneys to the hands of its own officers, and was gradually to discontinue the receipt of bank notes in payment of the public dues. These were the things proposed to be done. The effect of such a policy upon the credit and business of the local banking institutions of the country he had already fully discussed; and, to his own satisfaction, had shown that its adoption would promote, and not injure, the usefulness of those institutions, considered in the light of public institutions founded for the benefit of the people at large, and deserving credit and confidence precisely in proportion as they should confine their operations within their fixed means, and should discharge faithfully and promptly all the obligations imposed by their charters. In this light only was he disposed to discuss the claims of the local banks upon the country or the confidence of the people. The profits of the corporators was not a consideration to enter into a discussion like the present. It was a mere consequence of the faithful discharge of one of the highest trusts which any government could delegate, the trust of making a currency for the people of the country; and if he had succeeded in showing that this trust could be more safely and perfectly executed without than with a fiscal connection with this government, he had accomplished his object, and proved that

the just credit of these institutions was not to be injurious affected by the bill.

“Who would contend that its provisions were calculated to injure any other description of credit? Would not wealth and integrity receive the same confidence with the community, whether the funds of this government were kept in the State banks or in the hands of the officers of the people? Would not industry and enterprise gain the same esteem, and command the same credit, wherever the government should choose to place its strong box? Would neighbor cease to trust and confide in neighbor because bank notes were not to be received in payment of the public dues? Certainly not. The picture was an imaginary one, and this consequence of the passage of the bill, upon the credit between man and man, was not to be apprehended. It was the objection of an excited mind and not of sober reason.

“An argument of a character very similar to that last noticed had proceeded from the same source. It was that the passage of this bill, the separation of the funds of the government from the banks and the gradual suspension of the receipt of their paper in payment of the public dues, would lead to a universal and exclusive metallic currency for the whole country in all its business operations. That it would lead to a currency equal in value to gold and silver, and convertible into gold and silver at pleasure, he hoped and believed. But that it would destroy the State banks and send us back to an exclusive metallic currency there was not the slightest reason for believing. If he had not labored in vain, in a former part of his argument he had shown that the effect of this policy would be favorable to the banks, favorable to the certainty of their means, to a safe measure for their operations and to the stability of their credit and confidence with the people. If these positions should prove to be true, there was no just fear that the banks would be destroyed or that banks chartered by the States would not continue to exist. And surely, while banks of issue were in operation in the country, no one need fear the prevalence of an exclusive metallic currency; for nothing was more certain than that bank paper and gold and silver of equal denominations could not circulate together. The paper might be made, for the general purposes of business, of equal

value with gold and silver; but while the one was the promise of a bank to pay and the other the means by which alone that promise could be redeemed, and while it was the direct interest of the bank that the promise should take the place of the real value and circulate in its stead, the one would be withdrawn from circulation and hoarded, and the other would be scattered upon the wings of the wind.

“His fear was, that the whole operations of the public treasury would be inadequate to furnish a sufficient specie basis for our paper circulation. What were those operations in the aggregate, compared to the monetary operations of the country? The Senator from Massachusetts [Mr. Webster] had said they were estimated at from one and a half to two per cent. Call them two per cent, call them five per cent, and will they distribute a quantity of the metals sufficient to sustain the immense superstructure of paper, amounting to the remaining ninety-five or ninety-eight per cent? And from what other source were we to look for an extension of our specie basis if not from the operations of this government? Here, then, was the fear, and not that too extensive a metallic currency would be diffused among the people.

“He would notice a single other objection to this system, and close his remarks upon this branch of the subject. It had been said that its effect would be to hoard vast amounts of cash capital from the uses of business. How far was this effect to be anticipated? When the revenues of the country were made to bear a just relation to its expenditures — a relation which he hoped our recent experience would induce us most rigidly to preserve for the future — there would be nothing to hoard, in the practical sense of that term. We should receive with one hand and disburse with the other. The payments into the public treasury, and the payments out of it, would be made in the same description of currency; and what was taken from the uses of business by the receipts, would be given back to those uses in the disbursements, without material delay. It was true that the great extent of our territory, the great number of points at which both receipts and disbursements were to be made, and the wide distance of their location from each other and from the treasury here, keep a

large sum in suspense, and *in transitu*, during the whole time. That sum might be liberally estimated at from three to five millions, and it was the whole amount which the ordinary operations of the treasury would, in any sense, hoard—the whole amount which it would withdraw from the uses of business, when the revenues and expenditure of the government should be justly measured together. This same sum was now exactly similarly employed, and was suspended in the deposit banks to await the presentation of outstanding drafts; that is, it would be so suspended if the banks were in a condition to fulfill their obligations, and meet the drafts of the treasury in specie or its equivalent.

“But it might be said that, when our revenues should again become abundant, and exceed our expenditures, so that another surplus should accumulate, this system of deposits would necessarily lead to hoarding. This consequence he most cheerfully admitted, and he considered it one of the strongest merits of the system. He hoped never again to see the time when a surplus revenue should afflict us; but if that time did ever again come, it must proceed from an excess of importations, and a renewal of the speculations in our vast public domain. In that case he wished to see the excess of the revenue hoarded, closely locked up from the uses of the trading community, as the most efficient, speedy and certain check to the overtrading and speculations.

“What, he would ask, would have been the surplus of revenue during the late excesses, had the accumulations of money in the public treasury, paid for duties and lands, been hoarded then, and not surrendered to the uses of the customers of the banks? That surplus, under the system of deposits then in use, reached an amount beyond forty millions of dollars. Does any one suppose it would have reached one-third of that sum if the gold and silver had been demanded in payment of the public dues, and closely locked up in the public depositories? No, sir; a pressure upon the money market would have been produced, and the excesses arrested before you would have hoarded ten millions of coin by this process. What an infinite benefit to the country would have been produced by such an action. We should have been saved from the almost incurable evils of a surplus revenue,

ts practical distribution among the States of the Union, it would have been of far more importance, we should have been saved from this tremendous revulsion which the excesses have brought upon us.

It, sir, has been our own agency in this national calamity? The revenue was accumulating millions upon millions beyond us. We placed it in the banks for safe-keeping, exacted an interest for its use, and thus compelled them to make use of it in the ordinary course of their business. It was a plenty, and their own means were full, but yet they must indemnify them for the use which the law compelled them to pay. Could any system have been better devised to produce the excesses of which we now complain? Every dollar contributed toward the public revenue added, not one dollar simply, but, being used as capital, two or three dollars, to the loans which the facility of the banks stimulated them to make. Hence the danger as the funds of the government were concerned, produced its own increase, and so it must ever be while the banks are the depositories of the public moneys. Should we not, then, dismiss the idea that a hoarding of capital is to be a dreaded feature of the proposed system; so regulate our legislation that the income and expenditures, in times of stability and regularity of business, will meet each other; and desire to hoard, when excess of credit or speculation threaten to disturb the healthful circulation of the currency, and to plunge us into reverses such as we are now experiencing? For himself, he had no hesitation on the subject. If a regulator of the general currency of the country was within the power of Congress, he thought this that was to be done; and this action of the proposed system of separation of the public moneys from the banks seemed to him to be more valuable than almost anything else in it.

In addition to the remarks he had made and the objections attempted to answer, he found it to be his duty to notice another feature of the bill, which had been the subject of much discussion and criticism. He referred to the provision for the separation of the public moneys in the hands of the depositories from the banks to be established. The committee had here introduced a measure of a most rigid character, new to him, and, he believed,

new to our laws. It was that of making a use of the money as a criminal offense, punishable by fine and imprisonment, in addition to the usual pecuniary liabilities. Their object was to draw the characters of the officers into security for the public, and to interpose that guaranty against an abuse of their trust. He considered this feature of the bill of vital importance to its successful operation, although the usual provisions for sureties and pecuniary liabilities were full and complete without it.

"The Senator from Delaware [Mr. Bayard] had expended much of his argument in showing that the public funds would be insecure in such keeping; and, to fortify himself in his position, he had exhibited to us the long list of defaulting public officers which is annually laid before us, and which comprises every defaulter from the commencement of the government to the present day. This was a part of the history of our country most unpleasant and painful, and he could not dwell upon it with any pleasure; but the Senator, in bringing it to his aid upon this occasion, seemed to have forgotten that all these defalcations had happened under an established system of bank deposits, State or national, and, therefore, did not go a step to show either the danger of a permanent keeping and disbursement of the public moneys by the public officers, or the greater security of a system of deposit in banks than of a keeping by the officers themselves. The cases cited did go to show that there would sometimes be defaulting officers; and he did not flatter himself that the present bill, or any other which human ingenuity could form, would constitute a perfect exemption of the government from such losses, or a perfect security to the public funds in any condition. One thing, however, was clear, and would be conceded by all, which was, that the depositaries proposed to be established by this bill would not all fail at once, and thus effectually block the wheels of the treasury, with an abundance of means in its possession in case those means could be commanded. Such was its present condition under the system of State bank deposits. With millions in the banks, the treasury had not a dollar at command, and is now, at this moment, compelled to resort to the public credit to carry on the government. No such revulsion to the treasury could be experienced under the system of deposits proposed to

be adopted; and even if we should occasionally lose a small sum by a defaulting officer, we should not be driven to the expense of extra calls of Congress in consequence of such defaults.

“He would not detain the Senate to add anything further to this branch of the argument. The President, in his message, had placed the ordinary aspect of the subject too clearly before Congress and the country to admit of confirmation by anything he could add to these forcible and practicable views.

“This closed the examination he proposed to make of the plan of the administration, for the exercise of the incidental powers of Congress over the general currency of the country, and of the prominent objections to that plan; and he would now pass to the alternatives proposed by those who differed from the President.

“The first of these was the plan proposed by the honorable Senator from Virginia [Mr. Rives], which, in substance, is a return to the system of State bank deposits, connected with the general receptibility, upon certain conditions, of the notes of the State banks in payment of the public dues. What he had already said in reference to the administration plan would excuse him from any further discussion of this proposition than what related to its limitations. The proposition was, in substance, similar to one formerly introduced into this body by the same distinguished Senator, and upon that occasion it underwent a full discussion. It was not, therefore, a proposition new to the body; but as he had not taken part in its discussion then, and as it was now brought in conflict with a system he approved, he felt it to be his duty to test its efficiency to accomplish its proposed objects.

“Those objects seem to be two: the first of which was to strengthen and sustain the State banks and facilitate their return to specie payments; and the second to extend and strengthen the specie basis for the paper circulation of the banks by expelling from circulation small bank-notes.

“The first object was proposed to be accomplished by a continuance of the public deposits with these banks, and by making their notes, when redeemed with specie, receivable in payment of the public dues. He had already discussed both these points as

fully as he proposed to do it, under the head of the influence upon the banks of the passage of the bill before the Senate. He had there given his reasons for the opinion that even a connection, as depositories, between the State banks and the national treasury was injurious to the banks; that if the connection as depositories did not exist, the receptibility of the notes of the banks in payment of the public dues was a matter of little practical interest to them, because the notes so received must be immediately presented for payment and could not be permanently retained in safe-keeping; and that, if the separation between the banks and the treasury was to be made perpetual, the present was the most favorable time, so far as the banks are concerned, to make that declaration.

"It therefore remained for him simply and concisely to examine the efficacy of the Senator's plan to exclude small notes and extend the circulation of specie.

"These two great objects were proposed to be accomplished by the enactment that no note of any State bank should be received in payment of the public dues, if such bank should, after a specified day, issue notes below a specified denomination. The restriction is made to commence at the passage of the act, with a limitation of notes not below five dollars; after the year 1839 no notes are to be issued below ten dollars; and after the year 1841 no notes below twenty dollars; and the receptibility of the bank paper by the public treasury is made dependent upon an observance by the banks of these restrictions. No alteration of the present bank deposit law is proposed, and that compels the banks, as a condition of their participation in that patronage, not to issue notes below the denomination of ten dollars. Neither the deposit law nor the proposition of the honorable Senator appeals to the controlling power of State legislation to make them effective. Neither could do so with propriety, as both are mere regulations of federal legislation addressed to the interests of the State banking institutions. This address to such institutions is always the safe one, so far as their power of action is within their own control; for no principle can be more safely depended upon than that a moneyed incorporation, by whatever authority brought into existence, will govern its action by its interests.

It is in this single sense, then, that the practical results to be expected from the adoption of the plan of the Senator from Virginia are to be examined. How far will the interests of the banking institutions of the country induce them to submit their action to his proposed restrictions? The inducement offered is the receptibility of their paper in the payment of the public dues. The disability is that of issuing no small notes. As has been suggested, as the result of his reflections, that, accompanied by a portion of the public deposits, the receptibility of the notes of a local bank in payment of the public dues was a very trifling, if not a very questionable, boon. That conclusion confidently remained. He therefore concluded that the interests of no banks would induce them, voluntarily, to submit themselves to the restrictions proposed, except such as might be selected as depositories. The value of this patronage would be greatly impaired if the notes of the deposit banks were so receivable. These institutions, therefore, would bring themselves within the restrictions and within the benefits of the bill. What, then, would be the effect, in practice, upon the currency of the country? There are now some eight hundred banks in organization. The greatest number selected under the present deposit law was about one-tenth of the whole; and it is evident at the treasury, and will be readily seen by all who will make a practical examination of the subject, that one of the greatest evils of that law was the large number of banks which the provisions compelled the Secretary of the Treasury, in the bloated state of the public funds, to select as depositories. A thirty to forty is the largest number which the convenience of the receipts and disbursements and the safe management of public funds can ever require. But suppose the highest number heretofore employed should be retained, still we should have more than seven hundred banks not submitting themselves to the proposed restrictions, and consequently not restrained, except by their charters, from the issue of small notes. Go farther and suppose that the interests of one-half of all the banks in the country should induce them to come within the provisions of the proposed bill; the field for the circulation of small paper would only be made richer for those which did not come in, and,

until the established laws of currency be radically changed, and silver dollars and half eagles can circulate in common with one and five-dollar bank notes, the four hundred banks would make much more, from this circulation, than from any additions we can make to their business by receiving their notes. The inducement which the proposition holds out is wholly inadequate to the accomplishment of the objects proposed, and not a dollar will be added to the specie circulation of the country under it. These considerations rendered this plan less desirable to him than that proposed by the President.

“True, it might be said that the plan of the President did not act upon the banks by way of restraint upon the amount or description of their issues. It was true as to the description of their issues. That was left to State legislation, the source from which they derived their existences, and to which belonged the limitation of their powers, so far as they were to be limited by legislation. The plan of the President sought to act upon these institutions in a different way, and by a more powerful lever. Specie was their life-blood, and the creation of a demand for it was the only efficient control over them. Bring the public revenues, then, to a specie standard, and you most effectually limit the amount of issues of the banks, so far as your operations can impose such a limit. Make your disbursements in gold and silver; and, although the small bank paper will displace it, your continued and perpetual action will draw the same specie again from the banks, and will thus keep an amount equal to your receipts and disbursements in a constantly active state. In this way alone, in his judgment, is it in the power of this government to expand the specie basis for our immense paper circulation.

“He could not see that the action of the bill proposed by the Senator from Virginia would accomplish this object, while it did appear to him that a perfect separation from the banks, and a gradual return to a metallic currency for the operations of the national treasury, might reach it.

“The only other alternative which had been presented was a national bank. No distinct proposition, in a legislative form, for such an institution, was before the Senate; but the debate had developed the fact that such an institution was the favorite alter-

native of a large majority of the body, and therefore he made this allusion to it. It was not his purpose to discuss it in any manner. In the absence of any distinct proposition, and after the recent expression of the Senate upon that point, he could not feel warranted in taking the time even to reply to the arguments which had been advanced in favor of this plan. The whole subject had constituted a topic of constant discussion before the country for years, and he could not hope, at this late day, to give any new ideas upon it to the Senate or to the public.

“He had upon his notes several other replies which he had intended to make, but the lateness of the hour, and the full discussion which every important point in the debate had received from others, would induce him to omit them, with a single exception.

“The honorable Senator from Virginia [Mr. Rives] had seemed to suppose that nothing had transpired to weaken the confidence of those who had formerly favored the system of State bank deposits. He was one who had favored that system, when it was adopted by the executive in 1833-34. He then expressed his confidence in the ability and fidelity of the State banks to discharge the trusts confided to them. At that time he entertained fully and honestly the confidence he expressed in those institutions. Their subsequent conduct had gone far to convince him that his confidence was excessive and misplaced. He would not say that that system of deposits had entirely failed, as that seemed to be a point of debate and question, but he would say that the banks had failed to comply with their obligations; that both the government and the people had been reduced to extremities by this failure on their part; that we found ourselves here, at this unseasonable period, in consequence of it; and that, in view of these facts, he heard with some surprise the declaration, confidently pronounced, that nothing had taken place to authorize a change of opinion as to the safety of that system.

“He had been repeatedly published to the country as grossly inconsistent for supporting and sustaining that system of deposits in 1834, and for failing to support it now. He did not feel the force of the charge; but, whether inconsistent or not, when convinced of his error, he was most cheerful to retract it. Time had

shown that he then possessed a confidence in the banks which they had not sustained, and which he was bound to presume they could not sustain. Was he, for the sake of consistency, or for any other cause, to assume to entertain his former confidence, when every foundation for it had been swept away by the voluntary action of the banks themselves? No, sir, such was not his course. He left the defense of such a position to those who could see no difference between sound specie-paying banks and banks which refused to pay specie upon their promises; between banks which promptly, upon demand, fulfilled all their obligations to the public and the national treasury, and banks which complied with their engagements to neither."

At the conclusion of the debate, on the 4th of October, 1837, the bill passed the Senate by the following vote:

"*Yeas* — Messrs. Allen, Benton, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, Linn, Lyon, Morris, Niles, Norvell, Pierce, Roane, Robinson, Sevier, Smith of Connecticut, Strange, Walker, Wall, Williams, WRIGHT and Young — 26.

"*Nays* — Messrs. Bayard, Black, Clay of Kentucky, Clayton, Crittenden, Davis, Kent, King of Georgia, Knight, McKean, Nicholas, Prentiss, Robbins, Smith of Indiana, Southard, Swift, Tallmadge, Tipton, Webster and White — 20."

It was sent to the House, where it was laid upon the table by a vote of 120 to 107.

There was no further action on this subject at that session.

CHAPTER LXV.

OTHER MEASURES INTRODUCED INTO THE SENATE AT THE
SPECIAL SESSION IN 1837.

After the failure of nearly all the banks to redeem their bills, importing merchants encountered great difficulties in obtaining currency receivable by law at the custom-houses for duties. This led to an application to Congress for authority to deposit goods, on their arrival, in public stores. Mr. WRIGHT reported a bill for this purpose, which did not then become a law. But an act was passed to authorize the Secretary of the Treasury to postpone, for a limited time, the collection of duty bonds, and to give a credit of three and six months for the duties on goods imported by the first of November then next.

Mr. WRIGHT also reported a bill to revoke the charters of all banks in the District of Columbia which should not resume specie payments within sixty days, and should not cease within thirty days to pay out bills of banks which did not redeem them in specie; and that said banks should, within sixty days, commence redeeming their notes under ten dollars, and should forthwith cease to deal in bills under five dollars. This bill indicated Mr. WRIGHT's views concerning banks not redeeming their bills in specie and his dislike to a currency of small bills. It did not, however, become a law at that session.

Mr. WRIGHT also introduced a bill for the adjustment of claims of the government upon the late deposit banks. It authorized the Secretary of the Treasury to continue to withdraw public money in them, whether standing to the credit of the United States or any officer of the govern-

ment, in a manner convenient to the banks as he should deem consistent with the wants of the government. In case the banks should not comply with the requisitions of the Secretary, then he was directed to institute suits against them. The Secretary was also directed to require additional security from these banks. This bill became a law. Under this it is understood that the Secretary secured and received all the moneys due from the deposit banks, so that the government did not eventually lose anything by them.

The deposit, as well as other banks, having refused to redeem their bills or pay what they owed the government, except in depreciated and unconvertible paper, there were no means of meeting the national engagements. No officer of the government could be lawfully paid his salary or expenses, nor was there any means of meeting our engagements to the army or navy. Instead of seeking relief through a loan, the administration preferred resorting to treasury notes. Mr. WRIGHT reported a bill for this purpose, which passed both Houses, for not to exceed \$10,000,000, and became a law on the 12th of October, 1837.

Here we have the astonishing spectacle of a government having, in the middle of the previous year, so much money that it actually distributed some \$28,000,000 to relieve itself from its abundance, and resorted to efforts for the reduction of its income, actually reduced to borrowing in order to avoid acts of actual bankruptcy by refusing to pay its lawful demands. Mr. WRIGHT used to speak of this as one of the striking features of a paper-money system. His views, at length, on banks and the paper-money contrivance, are fully and strikingly given in seven articles published in the St. Lawrence Republican, in 1837, and from which the author gave extended extracts in a previous chapter. The untoward consequences of excessive issues of a paper currency, even by

the government, exhibited during the war of the rebellion, are remarkable confirmations of his great financial sagacity as displayed in these articles. Our national debt has been nearly doubled by resorting to a paper system instead of using gold and silver, which Secretary Chase said could be borrowed abroad upon five per cent interest.

CHAPTER LXVI.

CASE OF RICHARD W. MEADE

The claim of Mr. Meade had often been before the Senate and received its affirmative action. He had been our consul at Cadiz, in Spain, and had had extensive transactions with the Spanish government, and was largely its creditor. When we purchased Florida, the treaty provided a fund of \$5,000,000 for the payment of claims of American citizens upon Spain. A commission was appointed to adjust these and distribute the fund. Meade presented his claim to the commission, and a certificate of a Spanish official that his government owed him a specified sum. This they held was not sufficient proof, and required evidence of the transactions occasioning the indebtedness, which was not furnished before the expiration of their powers and the distribution of the sum provided among other claimants. He then appealed to Congress. At the request of Gen. Jackson, Mr. WRIGHT gave the case a long and patient investigation, and arrived at the conclusion that the claim was not valid against our government. When the bill for Meade's relief came up in the Senate, Mr. WRIGHT presented the facts as he understood them and the conclusions he had formed at length. He gave a succinct history of this case from the time of Meade's first visit to Cadiz, in 1803, up to the period when the claim was made on this country, under the provisions of the treaty of 1819 with Spain, from which he maintained that Meade had no well-founded claim upon the United States, but that it was between himself and the government of Spain, growing out of transactions of a private nature. The bill, however,

passed the Senate by a vote of 23 to 16. It failed in the House as it had done before.

This claim has since been before Congress several times. When the Court of Claims was established, it was presented there, where it was resisted by the author, as government solicitor, in an elaborate brief, and the decision was against it. A motion was subsequently made for a reargument, since which the author has not heard of it, though it is probable it is still an outstanding claim against the government.

MR. WRIGHT TO HIS BROTHER-IN-LAW, LUCIUS MOODY.

In this letter we have a specimen of Mr. WRIGHT'S humorous correspondence, differing, in most respects, from his ordinary correspondence.

“WASHINGTON, 19th *January*, 1838.

“MY DEAR BROTHER.—Your letter, with the inclosure, came to us more than a week since, but I have been too deeply engaged to allow me time to answer it. I have not now time to write a long letter, and as you never do that yourself, I am sure you do not wish to read one. We are much more comfortably situated this winter than when you was with us during the fall. We have now two small rooms upon the second floor of the house, one of which is our bed-room and Clarissa's working-room, and the other is my office. Both have good fire-places, and fires when we want them; and as they adjoin each other, and are wholly disconnected from any other room in the house, they are very pleasant. We have four other ladies in the mess besides Clarissa, and as they are, as yet, perfectly friendly and very neighborly, the separation of rooms is very convenient, as it enables Clarissa to have her occasional visitors from the mess in her own room, while I can be undisturbed by the discussions which you know must always be carried on at such meetings.

“Time may prove that there are more inconveniences connected with this separation of business and labor, more than counterbalancing the benefits, though I hope not. It is true,

when I closed my labors in my room last evening, at rather a late hour, and attempted to get to my bed, I found myself locked out, and not having any bed in my own room, the prospect for a while was rather discouraging. Yet the weather was very warm, so warm that we had required no fires in our rooms during the evening, and a berth upon the carpet would not have been as inconvenient as in a colder night. By rattling the door, however, for a few times, I gained admittance, and Clarissa, with all the apparent honesty in the world, assured me that she had fastened the door to undress, and had gone to bed and to sleep without thinking to unfasten it. During the time she was telling this story I kept my position firmly in the open door, and not finding the old bachelor of our mess attempting to rush out past me, nor being able to see him in the room, I made the best of it I could, assumed to believe her whole story, and here the matter rested. I do not, in truth, think he was in the room, because I did not see and did not hear him there before I went to sleep, which was very soon after I went to bed; but you will admit that, at the hour of eleven o'clock P. M., it was somewhat a disturbing consideration to find the key turned upon you by your wife.

"Nonsense aside. Clarissa has improved in health since we left home more than our hopes or wishes would have permitted us to believe she could have done when we did leave. We have had two or three days, last past, of most unnatural, and I fear unhealthy, weather. It has been about as warm as dog days, and much such weather in character. During that time she has not felt quite as well; but for six or seven weeks before that her improvement seemed to be constant and regular, though not very rapid. She has gained strength so that she walks a mile out and back without unreasonable fatigue, and this evening, if the wind does not blow too severely, we propose to walk to the theatre and see Mr. Booth in Richard III. I am perfectly well, and have enough that I ought to do, and much more than I do attend to properly.

"We had letters from Horace this morning. He is entirely well and apparently in good spirits. Our last letters from home informed us that they were all well there, but I believe we have not heard directly since about a week since.

“ We have been looking with great anxiety to the revolutionary movements in your Province and Lower Canada. I have not for a moment anticipated an effective revolution, but I have found that the thing had gone so far as to work great injury to some worthy and good radicals among you. One or two letters which I have received from our friend Norton have induced me to fear that he might be injured in property, if not otherwise, by the disturbances. I have written to him at Toronto, but was really afraid to write, as he told me his letters would be opened and examined at the post-office.

“ We have heard that you had closed your services on board the Great Britain and were to take charge of another boat of Mr. Hamilton’s in the spring, and that, to be more in the way of that duty, you was also, in the spring, to remove your residence to Lewiston. Tell us if this news is true, and, if it be, when you expect to remove up stream.

“ Tell us also what you know, if anything, about the place of residence, situation and circumstances of our Mary Dawdle. All we have heard of her since we left home is through Charlotte Hunter, and she said her information came from Julia.

“ Tell us also how that fat boy, Lucius Horace, comes on, and whether he is improving in a manner which will authorize the expectation that he too is to be advanced from a clerk to a captain in the spring.

“ Do write more frequently, and, if we do not give you letter for letter, we will give you documents for the balance.

“ Clarissa sends her love to Julia and the boy.

“ Most truly yours,

“ SILAS WRIGHT, JR.

“ Mr. LUCIUS MOODY.”

CHAPTER LXVII.

INDEPENDENT TREASURY BILL.

Early in the second session of the twenty-fifth Congress Mr. WRIGHT again introduced his bill, entitled "A bill to impose additional duties, as depositaries, upon certain public officers, to appoint receivers-general of public money and to regulate the safe-keeping, transfer and disbursement of the public moneys of the United States," commonly called the "sub-treasury bill." It again underwent a rigid scrutiny and a long discussion. Mr. WRIGHT, on the 31st of January, 1838, addressed the Senate as follows :

"Mr. WRIGHT said he regretted that it would be necessary for him to impose a more severe tax upon the time and patience of the Senate than he had ever before been compelled to impose, since he had been honored with a seat in the body. He had hoped, therefore, that he should have been able to reach the subject at an earlier hour in the morning; but, as it was, he would endeavor to conclude with the sitting of the day.

"He said he entered upon the debate with a painful consciousness of his inability to do justice to the position he held in reference to the measure upon the table. The discussion of it must involve questions of the highest importance in politics, of the most pervading interest in finance, and, as he thought, of equal magnitude in the morals of government. These questions were to be discussed, deliberated upon and decided by the Senate; and upon him had fallen the duty of opening such a debate before that high tribunal.

"Could he call to his aid talents, experience, learning, powers of argument and perspicuity of language, such as were possessed and at the command of many of the distinguished Senators whom he knew he must meet in opposition to the bill, he should feel a

tifying confidence that he could contend successfully and would triumphantly refute every objection. As it was, he was soled by the reflection that he should be followed in the Senate by other Senators equally able and equally distinguished, and who would only have occasion to ask of him that he should not injure a cause which must rest its defense with them. He would most cheerfully promise them that he would not intentionally throw obstacles in their way, and he would entreat the Senate to judge of the bill from its provisions, which he considered sound and salutary, and not from the weaknesses they would not fail to discover in his attempt to support them.

Justice to himself required another preliminary remark. But few months had passed since they were engaged there in the discussion of this same measure, or rather, perhaps, he should say, of a measure precisely similar in its great leading features. In that discussion he had taken a part, and if he should be found on this occasion repeating ideas and urging arguments which he had then advanced, the reason and his apology must be sought in the identity of the subjects, and not in a disposition on his part to trouble the Senate now with remarks to which they had once done him the honor to listen.

He said the bill was based upon two great leading principles, and that all its provisions, detailed and numerous as they were, were necessary, in the judgment of the committee, to carry these principles successfully into practice. These principles were: *First.* A practical and *bona fide* separation between the public treasure, the money of the people, and the business of individuals and incorporations, and especially between this money and the business of banking.

Second. A gradual change of the currency to be received in payment of the public dues, from that authorized to be received under the resolution of Congress of 1816, to the legal currency of the United States.

The material details of the bill applicable to each of these objects it would be his duty to notice; and as the task must be tedious and uninteresting to him, and much more so to the Senate, he would abridge it as much as justice to the measure would permit.

"As applicable to the first object, the bill commenced with ~~the~~ establishment of offices and vaults, at designated points, for ~~the~~ safe-keeping of the public money. The first section defined ~~an~~ and established the treasury of the United States, and placed ~~it~~ under the care and charge of the Treasurer of the United States; and, singular as it had appeared to him, and as he thought ~~it~~ would appear to most of the constituents of every Senator, ~~this~~ was the first attempt, so far as his researches had enabled him ~~to~~ discover, to establish, by law, a national treasury. Should ~~this~~ bill pass, and this section be retained, he was confident it would be the first act of the Congress of the United States which had given, not a name, but 'a local habitation,' to this most important institution. As the object of the bill is to place the funds of the government hereafter under the control of the public treasury, and not of private banking institutions, it seemed ~~to~~ the committee peculiarly proper that its first enactment should be to define and establish that treasury.

"The second section constituted the mint at Philadelphia, ~~and~~ the branch mint at New Orleans; also, places for the deposit ~~and~~ safe-keeping of the public money collected at those places, ~~or~~ transferred to them by the direction of the Secretary of ~~the~~ Treasury. The treasurers of the mints respectively were assigned ~~and~~ to the charge and custody of the moneys there deposited.

"The third section directed the preparation of suitable offices ~~and~~ and vaults in the custom-houses now erecting at New York ~~and~~ Boston, for the deposit and safe-keeping of the public money ~~at~~ those points, and for the use of the officers to have the custody ~~of~~ of those moneys; and the fourth section provided for the erection ~~of~~ of two independent offices and vaults, for the same purpose, ~~the~~ one to be located at Charleston, in the State of South Carolina, and the other at St. Louis, in the State of Missouri.

"It would not require any remark from him to satisfy the mind of every Senator of the propriety of selecting the seat of government as the place of location for the national treasury, or that the points he had named upon the Atlantic coast, as well as New Orleans, were places where so important portions of the public revenue were collected, and from which so great a share of the public disbursements were now, in fact, made, or could be

made with increased convenience to the treasury and to the public creditors, as to render them all proper places for the location of offices for the safe-keeping of the public money, in case any such offices were to be provided at the public expense, owned by the government, and kept in the charge of its officers. Another reason also existed, and which was conclusive with the committee, as to the selection of Washington, Philadelphia, New Orleans, New York and Boston. Public buildings of a fire-proof character were already erected, or now being erected, at the public expense, and for the public use, at all those places, in which sufficient rooms, offices and vaults, for the purpose contemplated, could be secured without any material addition to the expense incurred, and to be incurred, upon the buildings. It was also his duty to inform the Senate that, since the bill was reported, the committee had learned that the government now owned a custom-house at Charleston, and that the information possessed at the Treasury department authorized the belief that suitable rooms for offices could be had in that building, thus rendering it necessary to construct a vault only, instead of an independent office, as the bill contemplated, at that place. He had prepared an amendment to the bill, to make it conform to this state of facts, which he would send to the chair before he resumed his seat.

“As to the selection of St. Louis, some diversity of opinion might exist; but the committee had fixed upon that place because, from all the information they had been able to collect, they believed it to be the point from which the principal part of our heavy disbursements upon the western frontier were made. They were informed that a very large proportion of the money paid, and to be paid, annually, to the Indians west of the Mississippi, and the principal part of the disbursements at the various military posts upon the western frontier, were received by the various disbursing officers at this town, and that, therefore, large accumulations of public money were rendered necessary at this point, to meet these payments. This seemed to them to require an office for safe-keeping, and an officer or agent of the government, of some kind, there ; and the place was selected more, perhaps, in consequence of the heavy disbursements made from, than the

amount of collections at it. Still, their information was that the money collected at many of the western, and especially the north-western, land offices could be more conveniently transferred to, and accumulated at, that point than at any other upon that frontier.

“The fifth section of the bill, he said, provided for the appointment of four additional salary officers, and which, in the draft of the bill, the committee had—to distinguish them from the receivers of public money at the various land offices—denominated ‘receivers-general of public money.’ These officers were to be appointed by the President, by and with the advice and consent of the Senate, as other officers of like importance were appointed; were to hold their office for the same terms of four years; and were to be located, one at New York, one at Boston, one at Charleston and one at St. Louis, to take the charge of the offices and vaults for the safe-keeping of the public money at those points respectively, and of the money placed therein.

“He was well aware that this was a feature of the bill not calculated to be popular, upon a slight examination, and that it was not palatable to some of the friends of the measure generally. It was not his purpose to discuss this provision at large, in this place, as the course he had marked out for himself would require that he should again recur to it; but a few remarks upon the necessity of some provision of the sort were called for here. It was indispensably necessary to the operations of the treasury that it should have agencies of some description at these points. The collections and disbursements at them all made this imperative, and if it was designed to discontinue the banks as fiscal agents, some other must be substituted. This would be apparent to all, merely from recurring to the names of the places, and to their importance as commercial towns. It was true that, in the bill reported by the committee, at the extra session of Congress in September, no provision was made for this addition to the existing officers of the Treasury department. The duties now proposed to be assigned to these new officers were, by that bill, devolved upon the respective collectors of the customs at the places named; but it was then stated to the Senate by himself, in his place, that this and many other matters of detail were

purposely omitted, that the bill then reported might be made as simple as possible, and embody the great principles intended to be secured by it; knowing, as the committee did know, the strong desire and determination of both Houses of Congress to limit that session within the shortest possible period which the public business would allow. They believed that these details, including as well the provisions of the sections before noticed as the one now under discussion, and others which follow, would be calculated to protract discussion, delay action, and thus either extend the session or prevent the final passage of the bill. They were then convinced that the recommendations of the President and Secretary of the Treasury, as to the appointment of these additional officers, would have to be carried out, but, in the then almost suspended state of our foreign trade, they did not believe that the operations of the treasury would suffer for the want of them during the very short vacation which was to intervene between that and the present session of Congress; and it was then intimated that the defects in that bill could be supplied now.

“The inquiries which the committee have since made, not only at the Treasury department, but at some of the places named, have proved to their entire satisfaction that this addition of officers will be required; that the collectors of the customs at these places, or certainly at some of them, are already charged with more onerous and responsible duties than any one man, whatever may be his industry and capacity for business, can well discharge; and that, at the port of New York at least, those duties would justly bear division, were it not that, from their nature and character, they cannot be divided. The same must be nearly the truth at Boston, and cannot vary very materially from it at Charleston and St. Louis. The Secretary of the Treasury supposes that the receipts and disbursements of the money ordinarily collected and disbursed at each of these points will occupy the full time of one competent business man; and will any one suppose that duties so onerous and so responsible can be added to those at present to be performed by the collectors of the customs? Will any one desire that such duties and responsibilities should be confided to a mere clerk in the office of the collector? He thought not. Then the provision, or some one of a similar character, was

indispensable, and its rejection would endanger the safety of the public money, embarrass the operations of the treasury, and put in jeopardy, if not defeat, the successful action of the whole system.

"The sixth section of the bill was, in substance, the first section of the bill reported by the committee at the extra session; the only alterations being those required to make it conform to the provisions which were before it, and which he had already noticed. It declared what officers of the government should be depositaries, embracing, in addition to those named in the former sections, collectors of the customs, receivers of public money at the land offices, postmasters, and some other classes, and assigned generally the duties to be performed by them in this capacity.

"He would now pass to section ten, which required but a single remark. It conferred a general power upon the Secretary of the Treasury to transfer the money in the hands of any depositary to the custody and keeping of any other depositary, as occasion might require. This provision was necessary, as well to give the department control over its own affairs, as to enable it to consult the safety of the public money and the calls of the public service. If money accumulate, at any given point, to an amount which, from the smallness of the officer's bond, or from any other cause, the Secretary shall have reason to fear is or may be unsafe, he should be authorized to transfer it, or any portion of it, to a place of safety. If money accumulate at points where it is not wanted for disbursement, he should have the same authority to transfer it to a point where it is so wanted. If a depositary be located at a place remote from any bank and any office of safe-keeping, similar authority will be required to transfer his collections for deposit. These, and many other occasions, will arise for the exercise of this power to make transfers.

"The twelfth, thirteenth and fourteenth sections contained provisions to authorize special deposits of public money, for safe-keeping, at all places where there was no office for the safe-keeping belonging to the government. The only parts of the sections which it would be material for him to notice were those which defined the character of the deposits. They are made strictly special, and a broad discretion is given to the Secretary of the

Treasury as to the measures he will adopt to secure to them that character. In case he shall think it wise to do so, he is authorized to provide iron safes to be placed in the vaults of the banks, for the exclusive keeping of the public money, and so constructed that they may be under the joint control of the bank and the depositing officer, so that neither can gain access to the money without the consent and aid of the other. A further condition is, that nothing but gold and silver, and paper issued upon the authority of the United States, and made by law receivable in payment of the public dues, shall be offered for deposit by the depositaries, or received on deposit by the banks. It is further provided that all deposits shall be carried upon the books of the bank to the credit of the officer making the deposit, and not to the credit of the Treasurer of the United States; that neither the Treasurer nor the Secretary of the Treasury shall draw upon the bank for disbursements or transfers, and that the money deposited shall not be withdrawn from the bank, by the officer to whose credit it stands, without an order from the Secretary of the Treasury for the payment. A commission upon the money deposited is proposed to be allowed to the banks for their trouble and risk, but as the committee had no information as to the rate of commission which it would be safe for Congress to fix as a *maximum*, and not incur the danger of so limiting this compensation as to induce the banks to refuse the deposits altogether, they have reported the bill in blank in this respect.

“These provisions, it would be seen, were very close; and it had been suggested, as well by some of the friends as by the opponents of the bill, that they were so close as to render it possible, if not probable, that the banking institutions would reject them on that account, upon the ground that they carried upon their face a distrust of the solvency and responsibility of the institutions, or of the integrity of their officers and managers, or both. He would detain the Senate a few moments to examine these objections; and, first, if he understood the matter and the law of the case, the idea of distrust as to the solvency and responsibility of the banks arising from these provisions seemed to him to be a forced and unnatural inference. If such an idea could grow out of any part of them, it must be that part giving to the

Secretary of the Treasury a discretion to furnish safes for the exclusive keeping of the public money, to be under the joint control of the bank and an officer of the government. This would constitute the deposit entirely special; and, as he understood the law, the bank would not be responsible for such a deposit beyond the obligation of ordinary care and vigilance in its safe-keeping. In the incidents of property, responsibility and risk there was scarcely a resemblance between a deposit of this character and a general, open deposit. In the latter the property is changed the moment the deposit is made. The money becomes the absolute property of the bank as much as its own capital, and the government receives its credit or promise to pay in its certificate of deposit, in exchange for the money. No matter, then, how the money be lost, if it be lost, the indebtedness of the institution upon its certificate is not changed thereby, nor can it be discharged by any act of the debtor other than payment. In such deposits, therefore, the solvency and responsibility of the bank become the first subjects of inquiry and examination for the depositor. Not so in cases of special deposit. There the property is not changed; the specific thing deposited remains the property of the depositor. If it be money, it would be a violation of the law and rules of the deposit for the bank to exchange it, for any purpose, for the same amount of money of an exactly similar character. It is the identity of the article and the property in it which give it the character of a special deposit; and if that article be converted by the bank, although instantly replaced by an exactly similar article in every respect, the identity and property are both gone, and the option of the depositor alone must determine whether his indemnity shall be the responsibility of the institution or the article tendered in exchange. Hence the different liabilities of the bank in the two cases. In the first it purchases the money with its credit, and thus contracts a debt which it is unconditionally liable to pay; in the second it derives no property from the deposit, and is a simple bailee, with or without compensation as its contract of deposit shall determine; but, in either case, only liable in case of want of ordinary care and vigilance in the safe-keeping of the thing intrusted to its keeping.

“In the provisions for the special deposits provided for, therefore, the government only proposes to hire the security of the vaults and safes of the banks for the keeping of its money, and the ordinary care and vigilance of its officers in guarding it while there. Beyond these, it has nothing to do with the capital, solvency or responsibility of the institutions. How, then, can it be supposed that the provisions are intended to carry distrust upon their face against the solvency and responsibility of the banks? If the vaults be safe, and the integrity of the officers—their vigilance and care—tried and known, an insolvent bank is as safe a place for a special deposit as a solvent one; a bank unable to pay its debts as a bank abundant in its means beyond its liabilities. Either can keep as safely and faithfully the property of another placed in its vaults, while the creditors of neither can avail themselves of a special deposit, whatever it may be, without the assent and aid of the officers of the institution. How unnecessary, therefore, to declare distrust upon the face of a law, when almost all interest in the just grounds for that feeling is put at rest by the nature and character of the deposit to be made. And how unnatural to infer such distrust from language which does not necessarily convey it, when the character of the contract proposed to be made does not require the inference.

“It was further alleged that the provisions conveyed imputation against the integrity of the officers and managers of the banks, and that, therefore, they would not contract with the Secretary of the Treasury for the deposits proposed. Was this a fair construction of the provisions of the bill? Was it an improper or ungenerous distrust of the integrity of those who had the management of these institutions, and the care and custody of the property placed in their charge, to set guards over their conduct? What did the bill propose in reference to the officers who were to be intrusted with the safe-keeping of the public money? They were required, not only to give bonds for the faithful performance of their trust, but a breach of that trust, in the use of the money for investments, loans, or in any other manner whatsoever, was declared a crime which should subject the perpetrator to indictment and infamous punishment; to protracted personal

imprisonment, and to a fine equal to the money embezzled, and, consequently, to perpetual disgrace and infamy. Was this a suggestion, upon the face of these provisions, of distrust of the honesty and integrity of these officers? Was every honest and honorable citizen of the country bound to reject these offices, when tendered to them, because the law under which they must act, in providing penalties for their misconduct or guards against it, conveyed to the public a distrust of their integrity? Had any statesman ever supposed that, in naming penalties and punishments in a law for violations of official duty or official trust, he was drawing out imputations against the integrity and trustworthiness of the officers who were to hold places under it? He could not so suppose. He could not subscribe to this doctrine; and he would ask if incorporations, incorporeal existences, were to be treated more delicately, in our legislation, than that class of citizens who would be selected by the President and approved by the Senate for high and responsible public trusts? All must answer no; and, so answering, all must concede that there was no foundation for this objection to the provisions. Incorporations could not be subjected to indictment and punishment, as there was no real person upon whom the punishment could be inflicted. This check could not be imposed upon their officers and agents, because it would be impossible to determine who was guilty in form only and who in fact, when every act must be that of an agent who may have no discretion. If, then, physical restraints are interposed as to these institutions, to accomplish the ends which are reached by penal enactments in the case of natural persons, is the offense to delicacy of feeling, the affront to honor or integrity, greater in the former case than in the latter? He could not see that it was, and he must think that both of these objections displayed a degree of overwrought sensibility toward the banking institutions of the country which their sagacious managers would see should not govern their conduct.

“There was a single other view of this subject which he must present, and he would pass on to other provisions of the bill. It was the intention of the committee who drew and reported the bill to make these deposits strictly special, to prevent the banks from any use of the money deposited; and he believed the pro-

visions to which he had referred, if faithfully executed, would accomplish that intention. If the banks should receive the money, under this understanding, and with an intention on their part to carry it out in good faith, what would be their true interest in this matter? Would it not be to have their power to use the money placed beyond question; to have physical disabilities interposed between them and that portion of the public treasure committed to their charge? Observation and experience must, already, have taught them that the distrustful eye of public opinion follows the public treasure, and, unless the most efficient guards are provided by the government, and assented to by the banks, will not the most injurious suspicions of a breach of their trust be likely to rest upon them? Ought they not, for their own indemnity, to desire that the use of these moneys should be placed beyond their power? And will they not have some just reason to apprehend that objections on their part may give rise to suspicions as to their disposition faithfully to execute the trust in conformity with its intentions?

“The fifteenth and sixteenth sections provided checks upon the various depositaries constituted by the bill. The first authorized the Secretary of the Treasury to appoint special agents, whenever he may find it necessary, to inspect the books, accounts, money on hand, and other business of any depositary. The principal object of this section, as he understood that object, was to enable the Secretary, whenever the returns of the officer, information communicated by third persons, or any other information, should authorize a suspicion that all was not right with any one of the officers intrusted with the safe-keeping of public money, to appoint some competent citizen, as a special agent, to present himself, unexpectedly, with authority to examine the official transactions of the officer; to detect and correct error, if error should be found to exist; to expose fraud and bring the officer to punishment, in case dishonesty should be detected, and to justify innocence, if suspected without foundation. It was true the section made these examinations compulsory, at long intervals of one year, in cases where the amounts collected usually exceeded a just proportion to the amount secured by the bond of the officer; but this part of the section he considered of much

less importance than that he had before noticed. He considered its principal utility to consist in the authority to appoint an agent unknown to the officer, and who might come upon him in an unprepared state. If the agent were to be one permanently appointed and publicly known, one whom the officer might watch and guard himself against, he should consider it not worth retaining. He was aware that, in its present shape, it was objectionable to some of the friends of the bill; and, with this exposition, he submitted its adoption or rejection to the sense of the Senate. It was an exact transcript of a section contained in the bill which passed the body at the extra session, and as it was inserted upon the suggestion of the head of the Treasury department, he presumed the suggestion had proceeded from a similar provision contained in the laws which regulate the Post-office department, and which had been of great use in detecting frauds connected with the extended operations of that department; but should it be thought that such a provision would not be beneficial, as connected with this bill, he should not consider its removal as materially marring the system intended to be constituted.

“The sixteenth section made it the duty of the surveyors of the customs, naval officers, registers of the land offices, directors of the mints, and some other officers, at the expiration of each quarter, to examine into and report to the Secretary of the Treasury the state of the accounts and money on hand of the depositaries in their districts, or immediate connection. These were checks obtained through the instrumentality of existing officers, were wholly without expense to the public, would evidently be of material service as guards upon the depositaries, and as contributing to a uniformity and system in the keeping of the accounts of those officers, and, he presumed, would meet with no objection from any quarter.

“He would pass now to the twentieth section, which required every officer charged with the keeping of public money to keep an accurate account of the kinds of money received and paid out; the object of which was to prevent these officers, without detection, from receiving and paying out to the public creditors depreciated currency, and also from making exchanges of the currency received in a manner which should be injurious to the

public interests, or to the rights of those who might receive payments from the officer of demands against the government. The same section also declares that any use of the money in his hands by any depositary, by way of investment in any kind of property or merchandise, or of loan, with or without interest, or in any way whatsoever, shall be a high misdemeanor, for which the officer convicted thereof shall be imprisoned for a term of not less than two nor more than five years, and shall pay a fine equal to the amount of the money so used. He believed this was a new feature in the legislation of Congress. He had not found any case where a law imposed criminal punishment for the misuse or misapplication of money by a public officer; but still he believed the provision sound in principle, and that it would prove salutary in practice. He had examined very superficially the legislation of other countries upon this point, and he found that many of the nations of Europe, from which we had copied most of our public laws, made this act a felony, with much more severe punishment than is here proposed. He had heard no objection against this feature of the bill from any quarter of the House, and he hoped there would be none.

“The twenty-first section might not be considered by some as peculiarly appropriate to this bill; but he trusted to be able to satisfy the Senate that it connected itself with its provisions in a very important manner, and ought to form a part of it. The section made it the duty of the Secretary of the Treasury, when there should be an amount upon deposit to the credit of the Treasurer beyond the sum of four millions of dollars, to invest such surplus in stocks of the United States, or of some one of the States, bearing an interest, and transferable at the pleasure of the holder, by delivery or assignment; but it prohibited the Secretary from becoming a subscriber to or purchaser of any new stocks about to be issued by any State, and thus prevented him from holding out any inducement to any State to issue stocks with a view to these investments. It also directed him, whenever the money in the treasury, or standing to the credit of the Treasurer with the several depositaries, should be less than four millions, to sell so much of the stocks, in which any surplus should have been invested, as would keep the money in the trea-

sury at that amount, or as his information might satisfy him the wants of the treasury would require.

“Provisions of the character contained in this section were not new to the Senate. They had been, upon a former occasion, introduced there by himself, as a means of disposing, in the most safe and profitable manner to the treasury, and in the way he thought would prove most convenient to the business interests of the community, of a large surplus of public money on deposit in the banks. A different disposition of that subject seemed preferable to the Senate, and the provisions for investment did not meet with favor. He entertained a strong hope that their natural connection with this bill, and with the salutary workings of the system for the management of the public finances provided for by it, would give to it a different reception at the present time.

“It was found that the wide-spread operations of the treasury required about four millions of dollars constantly on hand, including the amounts *in transitu*, and the million, or therabouts, constantly employed at the mints; but that accumulations beyond that sum were, at all ordinary periods, accumulations to be kept, not acted upon, for the time being. To avoid, then, the risks of keeping, which formed a material objection with those who opposed the bill, and to avoid accumulations of money to be locked up from use, which formed another and much more weighty objection against the system in the arguments of those who had hitherto opposed it, these provisions were made a part of the bill itself, and he must suppose that these considerations would, at this time, and in this connection, render them acceptable to many, who, upon their introduction on the former occasion alluded to, could not yield them support. He must confidently believe that, to those whose minds had been influenced by the objections he had repeated, they would constitute a positive merit, as a part of a bill otherwise, in their estimation, defective.

“There was another aspect in which he wished to present these provisions. The constant experience of the Treasury department, since the final extinguishment of the national debt, had shown the necessity of some elastic provision in our legislation upon the subject of the public revenue and expenditures, which

would accommodate itself to the varied conditions of the treasury, rather, which would enable the head of the Treasury department so to manage the national finances as that the treasury be at all times prepared to meet the calls upon it, and that amount of money should at no time be hoarded therein, to injury of the business of the country or its citizens. During existence of the public debt, the provisions of law, and appropriations of money connected with it, furnished this regulator for the state of the treasury. The applications of money on the debt were at all times governed by the surplus of revenue over the expenditures, while all the unexpended balances of appropriations, after a limited period, passed to the Sinking Fund, and were absorbed in the debt. A troublesome surplus of revenue, therefore, could never exist, while that application remained open. On the other hand, as the appropriations for the year were carefully provided for before any application upon the debt, was scarcely possible that any contingency, not foreseen during the regular annual session of Congress, could occur to disenable the treasury to meet the demands upon it, arising under the current appropriation bills. The amount of revenue intended for application upon the debt would always be sufficient to meet any disappointment in the accruing receipts into the treasury. The time, however, had now past. The debt was paid; and, from the necessity of the case, and the state of the legislation of Congress, experiments had been made to measure the actual appropriations by the estimated revenue, and to make them come out even. For the first few years of this trial, from a state of circumstances not at the time sufficiently considered, but now clearly and properly estimated, the revenue got largely the better of the appropriations. This gave rise to the bill directing a deposit of the surplus with the States; and again the actual appropriations and the estimated revenues were attempted to be equally measured. A revulsion in the trade, and business, and banking of the country came; the anticipated revenue was cut short, and that portion of it which rested upon credits could not be realized. Indeed, the very money on deposit in the banks, to the credit of the Treasurer, could not be commanded, and, comparatively, the whole anticipated means of the treasury were either not realized,

or placed beyond its control. Still the appropriations were in force, the expenditures were going on under them, and could not be arrested, and a special convocation of Congress became necessary, to preserve the faith of the government, and enable the public treasury to meet the just demands upon it. What followed was fresh in the recollection of the Senate and the country; and he would not consume the time by a repetition of the measures of relief to the country and the treasury adopted at that session.

“He had mentioned these facts to show the necessity of some provision to guard against these disappointments in the accruing revenue, as well as to prevent the evil of a hoarding of money, when the revenue should overreach the appropriations. In either sense, he considered the provisions of the section of the first importance, and he entreated Senators not to suffer past recollections to prejudice their minds, but to examine these facts; to permit our late experience to have its due weight; to reflect how frequently similar disappointments, as to the revenue, might be experienced — how often surplus amounts of revenue might alarm the public mind, as to the safety of the public treasure; and then to decide upon the adoption or rejection of the section.

“The only remaining section which he would notice, as connected with the first great object of the bill, was the twenty-seventh. This section authorizes the Treasurer of the United States to receive, at the treasury, and at such other places as he shall designate, payments of money in advance for the purchase of public lands, and to give a receipt for each payment, which shall be current at any of the land offices at any public or private sale of lands. Since the bill had been reported, he had become convinced that the section was too loosely drawn and required to be amended. These receipts might be taken and treated as negotiable paper, and might, as the section now stood, be given in a form which would make them so upon their face. This would subject the bill to the imputation of authorizing the emission of a paper currency based upon the public lands, a thing by no means intended by himself, and he was sure not by any member of the committee who assented to the report of the bill. He had therefore prepared an amendment, declaring that the receipts to be given by the Treasurer, pursuant to the provisions

ne section, should not be negotiable or transferable by assignment or delivery, or in any other manner whatsoever; but that by such receipt should be presented at the land office by or the person to whom it was given, as shown upon its face. In

shape he hoped the section would not be objectionable upon ground above stated, while he thought it would be apparent its general provision would be of great convenience to those purchasers of the public lands who were to emigrate from the old States and to carry with them the means to make their purchases. It would save them from the trouble and risk of transporting money of any description, and also from the danger of taking to distant a portion of the country a currency which would not serve their purpose when there. It was not apprehended that

Treasurer would be called upon to select many points as places where these payments might be made. Perhaps the points at which it was proposed to keep offices for the deposit of public money would be sufficient, and perhaps a few other principal places might be selected with increased convenience to the public. A certificate of the deposit of the money at any designated point, transmitted to the Treasurer, would command the required receipt from him as well as the actual payment of money at the treasury itself; and as this could be done through the mail, the party making the payment would be saved the expense of a journey to the Treasurer's office in this city.

A further and material advantage to the banking institutions, was assured, would be derived from the adoption of this section.

The notes of specie-paying banks are now authorized to be received for all payments except for lands, and if this bill passed they would be receivable as well for lands as other public dues, to a greater or less extent, for six or seven years yet to come. Still, many of the old States about to emigrate to the new, and having the money for the purchase of his lands in the notes of specie-paying banks of the old States, would not venture to take those as the means of payment, because there would be a danger to the land officer to whom he might wish to make payment that he would not receive the notes of even specie-paying banks, so that he would have to come from the place where alone they could be converted into specie. The emigrant would be compelled, therefore, to present

the notes, convert them himself, and take the specie as his means of payment, unless the provision now proposed or some one of a similar character should enable him to make the payment before his journey is commenced. The experience of the past had proved that this was the course pursued by the emigrants toward the banks in the vicinity of their former residences, and pursued from compulsion; but he had been informed that during the short period, in the summer of 1836, when payments for lands were actually received at the office of the Treasurer in this city, large amounts were paid and received; and that the banks here, and in the adjoining States of Virginia and Maryland, experienced sensible and material relief from the practice.

“He would here close his examination of the first class of the provisions of the bill, and give a very brief attention to the second: those relating to the proposed change in the currency to be received in payment of the public dues.

“The principal and controlling provision upon this subject was to be found in the twenty-third section of the bill. The section was long, and contained much detail, but the principle adopted by it was simple and intelligible; it was merely a gradual change from the currency of specie-paying bank-notes to the legal currency of the country. The change was to commence after the close of the present year, and was to cover the full period of six years, making the change applicable to one-sixth part of the accruing revenue of each, beyond that of the next preceding year. He could most easily make the Senate acquainted with this section, by saying that it was, in substance and principle, the provision offered by the honorable Senator from South Carolina [Mr. Calhoun], by way of amendment to the bill reported by the committee to the Senate, at the extra session, in September last. The only material change made by the committee had been to extend the gradation of the change in the currency from fourths to sixths, so as to require six instead of four years to make the change entire. The section might not be drawn in the same words used by that Senator in his amendment, but, with the exception just named, the substance was identical.

“This was a feature of the bill which former experience assured him would be more strongly contested, perhaps, than any other

of its provisions. It would be recollected by the Senate that, at the extra session, the committee had incorporated into their bill no provision in reference to the currency in which the public dues should be received, and that their opinion had been then expressed to the body, that it would be most expedient to legislate upon each of these great points separately, and by separate bills. A different opinion was stongly expressed at the time by several Senators, and different amendments touching this subject of the currency were early offered to the bill which the committee did report. After full debate, and by deliberate votes, the amendment proposed by the Senator from South Carolina was adopted and made a part of the bill. Under these circumstances, the committee had felt constrained, in making their report at this session, to include this provision in that report, and to make it a part of the same measure which should separate the finances of the country from the banking interests of the country. Hence is the section now found in the bill presented by the committee, although it was not a part of their former report. Still, it presents a question of deep interest, of great magnitude, and upon which there is great diversity of opinion and great delicacy of feeling, as well throughout the country as in this and the other House of Congress.

“It was not his purpose, at this time, to discuss the section except in one aspect, but in that one he must make some suggestions. The alarm taken at the provision had relation principally to the State banks, and it was in reference to the interests of those institutions that he proposed the suggestions he was about to make. The proposition is, gradually, and after the term of some six or seven years, to discontinue the receipt of their notes in payment of the public dues, although they may be, at the time, specie-paying banks, and their notes may be convertible into specie, at the will of the holder, at their banking-house, wherever that may be located. The objection is, that this rejection of the paper of these banks, on the part of the national government, will so far discredit their circulation generally as to cripple their operations, destroy their powers of usefulness in the local sphere of their legitimate operations, and finally annihilate them. Is there ground for this apprehension? How are the charters of

the State banks obtained, and for what purposes? Is it that the circulation of their notes shall extend over the whole Union? Is it that those notes shall take with them, wherever they may go, the faith and credit of the United States, and be the legal currency of the federal government at every point and place in these twenty-six States? No; no such idea ever entered into the mind of any man, who, as a member of the Legislature of his State, has voted for a local bank charter. The only ground upon which those applications are pressed upon the State Legislature is, the accommodation of the commerce and business in the immediate vicinity of the proposed location of the bank. Look at the statistics which are always made a part of the argument in favor of a particular State charter. Are they the statistics of the Union? No; they are the statistics of the village, or town, or county embracing the location of the proposed bank, and they are intended to prove the necessity of the banking facilities proposed to be furnished by the charter at that point. Did any man ever suppose, then, that the State Legislatures, to which these applications are so constantly and perseveringly addressed, considered themselves, in their very liberal grants in this way, to be authorizing a currency for the whole people of the United States, and especially a standard of currency for the treasury of the United States? No. Such a position would not be assumed by any man here, nor would it by any man in the country. Where, then, arose the obligation of this government to receive the notes of these institutions, thus chartered, and for such purposes, in payment of the public dues? He could not see either the obligation or the duty; and certainly no one would contend, in case the notes were to be received, that they should be kept on hand as the money treasure of the whole people.

“How, then, were they to be disposed of in a manner to consult the safety of the public funds, in case they were to be perpetually received? This question admitted of but one answer. They must be presented, at short intervals, to the banks which issued them, and converted into money, into the legal currency of the country. In conformity with this manifest principle, the bill provided that these notes should not be made matters of deposit, under the regulations it contains for special deposits in

banks. It would be folly to deposit, merely for safety, the **representative** of value, in the place of the value itself, where the **open** option existed to constitute the deposit of the one or the **other.** Which would, then, be most useful to the State banks : to **receive** their notes as cash at the treasury, and constantly **convert** them into specie, or gradually to discontinue that receipt **altogether,** and collect the revenue in the legal currency only ? To **allow** them from six to seven years to conform themselves, **their** business and their conditions to the changed state of **things ;** or to commence immediately to receive their notes for **the** public dues, so far as those notes are redeemable in specie **upon** demand at their banking-houses, and to present them for **payment** at short intervals and in large masses ? For himself, **he** must say he thought the provisions of the section in question **were** more mild and more favorable to the State banks than the **alternative** he had contemplated. The subject, however, was **before** the Senate. It would be discussed by others, who had **bestowed** more thought and more research upon this particular **point** than he had ; the merits of the question, in every aspect, **would** be fairly and fully presented, and he would content himself with whatever decision should be made. Should this proposition not meet with favor, he should ask the sense of the Senate **upon** the alternative, and he would not permit himself to doubt **that** the one or the other would be adopted.

“ The twenty-fourth section was merely calculated to carry out **the** one which preceded it, by making it imperative upon all **disbursing** officers, after the time when the whole revenue should be **collectable** in the legal currency of the United States, to make **all** their disbursements in the same currency, upon penalty of **dismissal** from office, and a forfeiture of any compensation which **might** be due to them at the time of their violation of the law.

“ The twenty-fifth section might, perhaps, be considered as **somewhat** connected with those which have gone before it, as it **requires** the Secretary of the Treasury to prescribe the times **within** which the drafts of the Treasurer, drawn upon the various **depositories,** according to their respective distances from the seat **of** government, shall be presented for payment, and after which **time** they shall not be accepted and paid by the depositary,

without new directions from the Secretary. The object of ~~the~~ ^{this} section, it will be seen, was to prevent these drafts from being ~~g~~ ^{made} a currency for circulation, based upon the credit of ~~the~~ ^{the} government. Since the suspension of the banks, in May last, this use has been made of these drafts, to some extent, and ~~it~~ ^{it} was thought desirable to check the practice in its inception. The section was copied from a provision of the bill which passed the Senate at the extra session, and which was inserted in ~~that~~ ^{that} bill, as an amendment, by the Senate itself.

"He would relieve the Senate and himself from any further observations as to the details of the bill. He had omitted several of great importance, and among them he would mention those which made provision for the official bonds of the several depositories. He believed those provisions broad and ample, and such as were best calculated to secure the public treasure, and he thought every Senator, upon examination, would agree with him in this opinion. He would not attempt to particularize the other sections which had not been noticed, but would merely remark that none of them introduced any new principle into the bill, and that he thought all would be found to reach the object intended by them.

"Such, Mr. President, said Mr. W., is the system which the majority of the Committee on Finance have considered it to be their duty to present to the Senate, for the safe-keeping, transfer and disbursement of the public money of the United States. This system is strenuously opposed, not by the political party uniformly opposed to the present administration only, but by some of the respected and influential individuals among those who have hitherto been its friends and supporters. What, then, is proposed by those who cannot give their support to the bill before you? The system of State bank deposits seems to be more especially urged as the antagonist proposition, and, under the impression that there was to rest the present controversy, so far as distinct propositions of any character would be submitted to the Senate, he proposed to institute a comparison between the advantages and disadvantages of each system, as connected with the prominent objections which had been heretofore urged against the provisions of the bill.

“First, then, as to the safety of the public money under the system proposed by the bill, and under the State bank deposit system.

“The bill proposes to require ample and sufficient bonds and sureties from all the depositaries constituted by it, as one step toward the safety of the money intrusted to the keeping of those agents.

“It also proposes to provide vaults and safes at the most important points of collection and disbursement, in this respect placing itself upon a par with banks, so far as physical securities are concerned.

“It further proposes to adopt the use of the vaults and safes of the banks, at all places where those securities are not provided by the government, using the banks for safety simply, by the system of special deposits, and not in any sense as fiscal agents of the treasury.

“These are the guards which the system constituted by the bill holds out to the people against the loss of their treasure.

“The State bank deposit system presents the capitals of the institutions as security for deposits, in the same manner as for all other liabilities of the incorporation.

“It also presents its vaults and safes, constructed for its own security, and, it is fair to presume, as securely constructed as those proposed for the government.

“It next presents, as we have heretofore practiced under it, collateral bonds, with sureties, for the due and faithful fulfillment of its engagements on the part of the bank.

“These are the protections to the public treasure offered by the State bank deposit system, supposing, as he did, that the system, if continued, was to remain upon the plan of open or general deposits, as adopted in the deposit bill of 1836. Otherwise, as he had shown in a former part of his remarks, the capital of the bank would not be liable, except for gross negligence in the keeping of the money placed in its vaults.

“What, then, are the risks under each system?

“Under that proposed by the bill, the only single risk is that of the misconduct and dishonesty of the officers to whom the safe-keeping of the money is intrusted, and that conduct, in addi-

tion to all other legal liabilities, is made a high crime, and punishable with protracted personal imprisonment. The persons to whom this trust is to be confided are such citizens as the President, with a full knowledge of the duties, responsibilities and temptations, shall select and nominate to the Senate, and as the Senate, upon full examination, shall advise and consent that the President do appoint and commission to execute the trust. The risk is that these persons will be dishonest; that they will become insensible to standing and character; that they will violate their faith to their sureties and their country; that they will embezzle the public money in their hands, and thus subject themselves to infamous punishment—to imprisonment with rogues and felons for a term of not less than two years.

“One of the risks under the State bank deposit system is the same misconduct and dishonesty of the officers, agents and managers of the banks, and they are numerous, and many of them selected to perform subordinate duties. Without any imputation upon the institutions, therefore, or their principal officers, it cannot be unfair to assume that many of the persons who must have access to their books, accounts and money will not be persons of that standing and character which would be required, by all concerned, in the selection and appointment of responsible public officers. In the case of the bank, too, the persons who must have access to the money in its charge are numerous, while under the other system the single depositary alone has such access. Again, the misconduct and dishonesty of the officers and agents of the bank are not made criminal and punished as crimes. If committed, so far as the government is concerned, they are mere breaches of trust, and incur a debt; they lay the foundation for a suit at law to recover the money embezzled. Can it, by possibility, be supposed that these risks are equally balanced? He knew that, upon a former occasion, when this same subject was under discussion, we had had paraded before us a long and most unpleasant list of defaulting public officers; but it had not been stated at what periods those defaults had occurred, or what was their aggregate amount. He had never, upon any occasion, examined the list with much care, as it was not a matter of entertainment to him to see these evidences of unworthiness in those

who had sought and obtained public patronage and public trust. He had, however, referred to the list sufficiently to learn that nine-tenths of the defaults recorded upon it had happened during the prevalence of a system of bank deposits of some sort; and he thought it would be found, upon careful comparison, that a large majority of them had taken place when a national bank, that great security, in the minds of many, against all pecuniary evils, was the sole depository of the national treasure. The defaulters were mostly disbursing officers proper, such as paymasters of the army, pursers in the navy, and the like, or postmasters, who had never, until very recently, been legally connected, in any way, with the treasury, or contractors upon the public works. All these classes of persons, except postmasters, must always, and under any system, have the same opportunity to misapply public money; and their defaults, therefore, were no more an argument against the system proposed by the bill, for the safe-keeping of the public money, than against any other system which could be devised or named. He had already said the amount of these defaults had not been stated. He did not know the amount; but this he would venture to affirm, without the fear of contradiction, that the whole amount of losses to the government, from the defaults of public officers, since its organization under the Constitution, would be but a fraction of the losses which it had sustained from its connection with the State banks alone, setting aside the forty years of the period when a national bank was the sole fiscal agent of the treasury. Here, therefore, the State bank system gained no advantage in the argument. He was most happy to be able to say that, in comparison with the vast amounts which had been received and disbursed, the losses under any system hitherto adopted had been very small, and it made him proud of his country, and of her citizens, to state a fact which had been given to him from high authority, since the subject of intrusting the money of the people with their own officers had been one of discussion before the country. The fact to which he alluded was that the whole disbursements of the army, from the year 1821 to the year 1836, both inclusive, amounting to several millions in each year, had been made through the hands of the public officers appointed for that purpose, and that not one dollar of

loss had accrued to the government from those appropriations during the whole of that period. Ought not this fact alone to inspire confidence in the trustworthiness of our public servants? It seemed to him so; and he must say he could not comprehend how it was, after all the experience which our former and recent history had afforded, that gentlemen of the most unquestioned integrity should feel and manifest so much distrust against the public officers of the government—men of elevated standing and character, and directly accountable to the people and their representatives, as well as to the civil and criminal tribunals of the country—and should at the same time, and in reference to the same subject, repose such implicit and unmoved confidence in the incorporated banking institutions of the States, and in their officers and managers. Did they believe that the transfer of a citizen from private life to a public office necessarily poisoned his integrity, while a similar transfer to a situation in a bank rendered him worthy of all trust? No. They could not so believe. The fact could not be so. The honest man would be honest in either situation. The dishonest man would be dishonest in neither. He knew that public officers sometimes became defaulters; and he must be permitted to ask how frequently the public sense was startled by announcements, through the public press, of the defaults and embezzlements of the most confidential officers of banks? All were frail and erring men; and some, alike in both classes, would prove unequal to the resistance which the temptations of their situations required; but he could not see that either system derived any advantage over the other from this consideration; while he did believe that the bill under discussion proposed guards against this risk which would be found more beneficial in practice than any hitherto known to the legislation of Congress.

“So far as vaults and safes were concerned, he had already admitted that each system possessed equal advantages; and from what had been said it would be seen that, to a very great extent, these securities, as applied to both systems, were identically the same.

“But there is another and much more important risk connected with the bank system. It is, that all moneys placed with

the banks for safe-keeping, upon open or general deposit, are necessarily subjected to all the hazards which attend the business of the banking institutions. We have already seen that the money thus deposited becomes at once the property of the bank, and that the depositor receives in exchange for his money the simple credit of the institution. If, then, its credit be subjected to the hazards of the banking business, so must be the money placed on general deposit with it, as that money is merely converted by the depositor into that credit. By adopting this system, therefore, for the safe-keeping of the national treasure, we embark the money of the people in the same boat with the capital of the bank; we subject it to all the hazards to which that capital is subjected, and we substantially agree, so far as our reliance is upon the capital of the institution for indemnity, that if the adventure be fortunate our money shall be safe, but that if it be unfortunate the risk and the loss shall be ours. We are not, however, to be placed in the condition of the owners of the capital of the bank. We are not to share in the profits of a fortunate hazard. Our only object is safety for our money, and to gain that we take our share of the risks, without any interest in the contemplated profits from them. Who will contend that these risks do not fully balance the safety we derive as the consideration for incurring them? The bank system, then, derives no advantage in the argument from the security afforded us by its capital, so long as it subjects us to all its risks without any share in its gains.

“ Let us now balance the account, as far as we have gone, and see which system has the advantage. In the security of vaults and safes both are equal. The security afforded by the capitals of the banks is counterbalanced by the risks it compels us to take, growing out of its banking operations, without any share in the profits of those operations, if fortunate. This balances this item of the account. In the risk growing out of the misconduct and dishonesty of officers, managers and agents, the system proposed by the bill has a decided advantage in the number of persons to be trusted, the standing and character of those who have access to the money, and the guards against and punishment of embezzlement. In the bonds and sureties both systems

would be, *prima facie*, equal; but we have been recently told, by a distinguished Senator [Mr. Webster], that the collateral bonds given by the banks are useless paper; that they are always signed by officers, directors and stockholders of the bank for which they are sureties, by persons whose business and fortunes are interwoven with the business and fortunes of the bank, and that when it fails the sureties upon our bond must fail with it. He hoped this position was not true to its full extent; but he must admit that it was likely to be true in a very great degree, for who would become security for a bank but the persons interested in it? These institutions, from their nature and character, could neither receive nor reciprocate any other friendships than those of interest, and, therefore, they could only look to the interested to find sureties for their engagements. Not so with the public officer. He would have no business relations. His official duties would require his whole time and whole mind. The discharge of those duties would call for no bank facilities. His sureties would be friends, men wholly disconnected from him in business, and whose properties and responsibilities could not be affected by his pecuniary disasters, any farther than their liabilities upon his bond should produce that effect. The system proposed by the bill, then, derived a material advantage over the bank system, in the safety of the collateral bonds, and thus must be admitted, in the settlement of the account, to have two advantages over the antagonist system, and to be the safer of the two.

"*Second.* He would now carry the comparison to the expenses of the antagonistic systems.

"And, first, of the expenses under that proposed by the bill. They were the erection of the two offices at Charleston and St. Louis. It had been seen, however, that the erection of an office at Charleston would be probably avoided; that the government now owned a custom-house at that place, and that rooms for an office for the receiver-general of public moneys there might be procured in that building; that the necessary vaults would be required to be constructed, and the rooms fitted up and prepared for this use, which would be the whole expense at that point for erections. The estimate of the department, for these purposes, was \$2,000. For the expenses of a site, the erection

ary building, and the construction of vaults and safes at St. Louis, the department supposed an expense of 10 to \$5,000 would be incurred. From inquiry made of men intimately and personally acquainted with the property and building materials at that place, he presumed the expense might be above the estimate of the department. It was said that the cost of a suitable site, at a proper place within the business part of the town, would be some four thousand dollars at the least. In this event, the estimate would be much too low, and it was just to the Secretary of the Treasury to say that the estimate of the department was based on a declaration that no local information was available such as was required to approximate toward perfect accuracy.

The estimates were from \$6,500 to \$7,000. He supposed they were too low by \$3,000, and that an expense of \$10,000 would be incurred for these erections at three points. He had been more particular and detailed in the item of the proposed expenditures, because he was sensible that the most persevering efforts had been made, constantly making, to represent the intention to be to erect spacious and splendid edifices for these humble offices? He had no other answer to give to these mistakes than to present the estimates of the proper department of the government — the department which was charged by the bill with the erection of the buildings not only, but with the direction of the plans which they were to be erected — thus showing, as perfectly as attention can be shown, the views of the government as to the scale of extravagance or economy designed by it in this respect; and to say that Congress was the only branch of the government which could be looked to for the means to make any provision whatsoever, and that its appropriations must measure the expense and consequently the extravagance or economy of the works of the law.

The next and only other item of expense, under the bill, was the pay of the officers and clerks employed. The Secretary had additional officers whose appointments were provided for by the bill, and he would assume that their combined salaries would be less than eight nor more than twelve thousand dol-

lars. They were to be placed in responsible trusts, and ought to be citizens of elevated standing and tried moral integrity. He could not suppose, therefore, that any one would wish to assign them salaries of less than \$2,000 each, and he did not think that the salary of any one of them should exceed \$3,000. For the sake of the argument he would call this expense \$12,000.

"It might be necessary to employ from six to twelve additional clerks under the various provisions of the bill. The combined pay might amount to from six to ten thousand dollars. He thought the estimate, both as to the number of clerks and as to the amount of compensation, very high. Both, however, were his own, as he had asked no estimate from the department upon this point, and he was willing to assume the highest of his suppositions to be the true standard of expense for these two objects.

"These last are regular annual expenses, and are therefore to be considered as the constant charge upon the public treasury of the system proposed. The cost of the erections is a single expense, which, being once incurred and paid, is done with.

"What, then, are the expenses of the State bank deposit system? If the deposits are open and general, and the banks have the use of the public money as a compensation for their agency, the expense is nothing, directly. The use pays for the keeping, as it most assuredly should, when the money is not in fact kept but used. He should have occasion, however, very soon, to hint at the indirect expense to the United States of such a system of bank deposits.

"But suppose a system of special deposits be established, and the banks be effectually prohibited from the use, for any purpose, of the money of the people in their keeping, how then will stand the question of expense? A commission upon the money deposited must be paid to the bank for its trouble and risk. He was wholly unable to say what that commission ought to be, or what Congress would be compelled to make it to induce the banks to accept the trust. He had found, however, from a comparison of various rates of commission with the ordinary amounts of revenue collected under the existing laws, and with the estimate of the revenue for the current year, that one-eighth of one per cent would amount to from twenty-five to twenty-eight thou-

sand dollars, as the constant and current expenses of a special deposit system.

“How, then, stands the comparison? It had been seen that the annual expenses of the system proposed by the bill would, in the payment of officers and clerks, vary from fourteen to twenty-two thousand dollars, and that the last would be the highest amount to which those expenditures could rise under that system were Congress to adopt it as reported by the committee. The expenditures for erections might be added, if gentlemen chose, and the average made upon any given number of years which, in the judgment of any member of the Senate, would afford a fair trial to any financial system adapted to the operations of the national treasury, and conforming as strictly to the great mass of private and corporate interests in the country as the constitutional powers of Congress would permit that conformation to be made. He could not see, therefore, that any system, formed upon the basis of special deposits in banks, could, in point of expense, possess advantages over the bill under discussion. He had not forgotten that that bill adopted a partial system of special deposits, and that it contemplated a payment of a commission to the banks which should keep the public money pursuant to its provisions; but he assumed that the difference of amount in the above estimate for the respective systems was more than sufficient to cover any commissions which a fair execution of the provisions of the bill would call out of the public treasury to be paid to the banks. The most important points in the country, both as to the collection and disbursement of the public money, were provided for, independently of the provisions for a special deposit. The commissions, therefore, could be made applicable to but a mere fraction of the whole revenue; and, at any contemplated rate, the whole amount could never exceed a few thousand dollars.

“He had made a reference to the indirect expenses of an open and general State bank deposit system, where the services and risks of the banks were compensated by the use of the public money. Need he, at this time, and in the present condition of the State banks and of the public funds, define his meaning in that reference? Why was the special convocation of Congress

rendered necessary in September last? Was it not the suspension of the banks to pay specie for their paper, and the consequent inability of the public treasury to obtain from them, in any currency conformable to law, the millions of the public money intrusted to their safe-keeping, and required for the current expenditures of the government? No one would deny this position. What the expense to the people of the United States was, for that single extra session of Congress, he had not taken the trouble to inform himself; but this he would venture to assert with perfect confidence, that those expenses more than equaled the money required to carry on the system of finance, proposed by the bill, for any period of ten years. He would not now bring into notice the losses which might yet be sustained before the experiment of the late State bank deposit system should be finally closed. He did not wish to say anything unfavorable to the eventual solvency and safety and security of those institutions. He did not wish to bring any distrust upon them; much less would he repeat here the daily rumors of that portion of the public press which most strenuously opposed this measure, of the entire failure of this and that and the other 'pet bank;' of the \$60,000 here and \$40,000 there, and untold thousands somewhere else, lost to the people by this experiment-trying administration, in consequence of the employment of these State banks as fiscal agents of the public treasury. He hoped and believed the ~~se~~ pictures were overdrawn; he was content to suppose, for the purpose of this argument, that not one dollar was to be thus lost, and yet he trusted he had shown that the system proposed by the bill, for the management of the national finances, was more economical and less expensive to the tax-paying public, than either a system of general or special State bank deposits.

"*Third.* His next point of comparison should be the patronage conferred upon the executive branch of the government by the antagonistic systems.

"It had been already seen that the system proposed by the bill required the appointment of four additional officers, with salaries of from two to three thousand dollars. This was a direct increase of the executive power and patronage; but when it should be recollected how many officers, with equal salaries,

already existed, and with how much facility officers were added to that number, at almost every session of Congress, and in almost every one of the executive departments, he must hope that no unreasonable alarm would be felt in any quarter of the House by this very limited addition to the existing number. If they were not to be constitutionally appointed, or if, being so appointed, duties were to be assigned to them not of a character compatible with our civil and political institutions, then the offices ought not to be created or the duties assigned, regardless of all consequences which the rejection of the proposition might bring upon the country. If, however the appointments are to be constitutionally made, and the duties of the officers seem to be necessary to the public service, he must be permitted to say that he reposed too confidently upon the intelligence of the American people to suppose they would condemn the measure because its details called for such an accession of executive strength to carry out their wishes. He would not permit himself so far to distrust the confidence of our citizens in the government of their choice as to believe that they would not feel perfectly safe in the decisions of Congress as to the offices to be created, and in the President and Senate to select the persons to fill those offices.

“Was it, could it be, true that a greater or safer trust was to be placed in local banking incorporations than could be placed in the constituted authorities of our government, as organized under the Constitution? Were the tax-paying citizens of our Republic afraid to intrust the safe-keeping of the national treasure to officers of their own choice and responsible to them and to the laws of Congress, and anxious to confide it to banks not created by national authority, over which no branch of the national government had any control, and in the management of which neither the people nor their government had any voice? He did not believe this was the state of public opinion. He did not believe that distrust toward our national authorities had yet gained this extent. He was not ready to admit that banks, such as our State banks now are, and with the recent experience of the danger of resting the operations of the public treasury upon them, were more the favorites of the people of this country than their own well-tried and faithful servants.

"It was not his wish or design, he would repeat again, to say anything unjust or injurious to these institutions. Within their proper spheres they were convenient and useful, but recent events had perfectly satisfied his mind that they were not the fit keepers of the treasure and treasury of a nation; that this important incident to national independence ought not to be committed to the charge of institutions whose interest leaned so strongly toward a hazardous misapplication of such a trust.

"Was it, could it have been, contemplated by the framers of our system of government that they had provided no fit and trustworthy depository of the national finances; that banks—incorporations, private incorporations, chartered for private use, owned by private individuals, and managed by persons responsible only to the stockholders—must be called in to sustain the most delicate trust under any government; that the will of these institutions must be consulted as to the terms upon which they would consent to accept the trust, and that all the authorities of the country, Congress itself included, must cater with them for terms upon which the money of a free people could be kept and paid out, and as to the character of the currency which either should be permitted to enjoy; had propositions to this effect been submitted to the convention which framed the Constitution, what would have been their fate? Does any one believe they would now have been found in that Constitution which is the pride of freemen everywhere? No; such dependence upon such aid would have found no countenance there. Can it find countenance in the Senate now?

"Could any one doubt, then, that the people's money should be confided to the people's servants, to their officers, responsible to them and to the laws? and that the appointment of such and so many officers as should be found necessary to perform this trust, in a manner safe and convenient to the treasury and to the people themselves, was not only in strict conformity with the Constitution and the very nature of our civil institutions, but an imperious duty upon every Congress? He could entertain no doubts upon either point.

"There was another direct grant of executive patronage and power under the bill—the authority to appoint the necessary

clerks to perform the mechanical duties required, when they could not be performed by the officers to whose keeping the money was to be intrusted—and it had been seen that this might involve the selection and appointment of from six to twelve clerks. He would consume no time in commenting upon this grant of power; the mere statement of the fact should suffice.

“These two were the only direct grants of executive patronage which the bill proposed to make; but it seemed to be supposed that the power and influence of the executive was to be immensely and dangerously increased over all the officers charged with the keeping of any portion of the public money, and this idea formed one of the most weighty objections against the system. How, he would ask, is this inference derived? Not one cent of additional compensation is proposed to be given to any one of the existing executive officers, in consequence of the additional duties imposed upon them by this bill. They were all now subject to removal from office by the President, at his pleasure. Whence, then, was he to derive this increased power over them? Could he command the money in their hands? No; unless he was ready to commit a direct infraction of the Constitution, and the officer to subject himself to protracted imprisonment and infamous punishment. The bill provides that all money, in the hands of every depositary, shall be held there to the credit of the Treasurer, or, in other words, as in the treasury; and the Constitution declares that no money shall be taken from the treasury but in conformity to appropriations made by law. The bill makes any unlawful use of the money, by the officer in whose charge it is, punishable by imprisonment for a term not less than two years. To let the President have the money would be as criminal, under the law, as to let any other citizen of the country have it, and detection would be as certain in the one case as the other. The only difference would be that the President, if he were to make himself the knowing recipient, would subject himself to impeachment for the violation of the Constitution and the fraud upon the treasury; whereas the citizen would incur no criminal liability whatsoever. Where, then, is the dangerous increase of power given to the President? Suppose he remove the officer; the money is still, in a legal sense, in the

treasury. He gains no access to it by the removal, and if he did, he could make no use of it without a violation of the Constitution. It was easy to see that this system would impose great additional responsibility upon the President, as he must select all the persons who are to be intrusted with public money, and it is his duty to see that they all obey, observe and execute the law. He would venture the assertion that no honest man who was to hold the office of President, consulting merely his personal interests and responsibilities, separate from his sense of the public good, would desire the passage of this law. He could see nothing desirable to that officer personally to grow out of it, while he could see a fearful load of personal responsibility in every feature of the system.

“But the officers who were to keep the public money were also executive officers, and perhaps it was here, and not with the President, that this great increase of executive power was apprehended. The same inquiries were alike applicable to this suggestion. How could the possession of money by the officer, which he could only use in pursuance of appropriations made by law, without subjecting himself to the severest punishment, increase the power and influence of that officer with his fellow-citizens? Suppose he should become corrupt and violate the law. Would not every respectable man whom he should approach shun and avoid him; and could the certainty of detection give him time to establish an influence, based upon the power of the money embezzled, which would be dangerous to public liberty? Most certainly not. In this, as in the case of the President, the responsibility, not the power and influence, of the officer would be increased.

“Such was the view he was compelled to take of the charge of executive patronage made against the financial system proposed by the bill in its present form; but the imaginations of some had carried them beyond the present propositions, and induced them to fear that this was the mere commencement, the entering wedge to a multiplication of executive officers, until they should cover the whole land, like the locusts of Egypt, and eat out the substance of the people. Where was the foundation for this apprehension? With whom rested the power of increas-

officers of any character? Not, certainly, with the executive. He can act in selecting men for office when the offices are created by Congress, and, with certain exceptions, he can remove men from office at his pleasure; but he can create none, nor can he multiply the number of officers of any grade or character. This, then, is not an objection against the executive, but against the legislative power of the government; it is an objection which implies distrust, not of the President, but of ourselves. And are we afraid to trust ourselves in this matter, so that we stand in so much fear of those who may succeed us in these seats that we would rather commit the finances of the country to incorporated banks than to the present or future representatives of the people and the States?

But how stands the objection of executive patronage, as applied to the State bank deposit system? The first step in this system is the selection of some twenty, thirty or more banks, to which the direct interest of all their officers, directors and stockholders must be addressed, and when selected the same interest is enlisted in whatever contract may be made. Here is, once, an army of new persons brought within the reach of executive power, not, like the salary officer, upon stipulated compensations, but whose interests are wholly dependent upon the extent of the patronage bestowed—upon the amount of money intrusted to their charge. Then come up the competitors and appliances to obtain a selection, and the inducement to the ambitious executive to excite hopes and create expectations throughout the whole line of banking institutions in all the States. But the selections are made, the money deposited and loaned to the citizens among the other accommodations of the selected banks. This creates another influence far more extended and fearful—the influence of the debtors of the selected banks; when appropriations are made by law, the executive officers—those who are charged with the execution of the law—must cash the drafts which are to bring the money from the banks to meet them. Let any unprejudiced mind compare the influences here embodied with the executive patronage conferred by the bill under discussion, and can the decision be in favor of the bank system in this respect?

“But there is another view of this matter. He had shown that, under the system proposed by the bill, the executive could not reach the money in the hands of the depositary without subjecting both to a condign punishment. How is it here? Suppose the executive corrupt, and the bank willing to be corrupted, or the reverse, and what is to hinder his obtaining any amount of the public money he pleases? He takes it not as the money of the people, but as the money of the bank. It is not, in form, a loan from the public money on deposit, but an accommodation in the usual course of banking business; and still, before the depositing officer shall have left the counter of the institution, the executive may take the money he deposits, and no one is punishable. The depositing officer himself, any other executive officer of the government, may do the same thing with equal impunity.

“Has the system provided for by the bill, then, anything to fear from a comparison with that of the State bank deposit system, as to the dangers of an increase of executive patronage? He could not so suppose.

“*Fourth.* He would now institute a short comparison of what he thought would be the relative effects of the two systems upon the State banking institutions themselves.

“The system proposed by the bill would necessarily operate as a check upon the issues and expansions of those institutions, in either shape in which it had been proposed to pass it. If the notes of the banks continue to be received in payment of the public dues, and the depositaries are directed, as in that case they unquestionably should be, to call frequently and at short intervals for the balances against the banks, and to demand specie for those balances, this must operate as a powerful check upon all the banks in the vicinity of those depositaries where the collections are large. If, on the other hand, the receipt of the bank-notes be gradually discontinued in the collection of the revenue, and specie collections substituted, while the change will create some demand upon the banks for specie, the disbursements of specie by the government will constantly distribute among the people a broader and more permanent basis for the paper circulation, which the banks will, of course, continue, growing out of

or private operations. That the demand for specie may, to some extent, diminish the profits of banking, is more than probable; but if the effect shall be to restrain the issues of the banks, and keep upon them a constant sense of the necessity of more specie capital to meet their liabilities, the operation, as past experience abundantly proves, will be greatly beneficial to the community, and will work rather a benefit than an injury to the institutions themselves. In the meantime, the disbursement by the government of the specie it receives cannot fail, not only to restore stability and confidence, to some extent, at least, to the general currency, by continuing in active circulation some portions of the gold and silver upon which the whole is based, but must, to the extent of the circulation, have a tendency to strengthen the banks against sudden pressures and unfounded distrusts, by enabling them the more easily to arm themselves with coin.

What are the tendencies of the opposite system upon the banking institutions? Recent experience has answered this inquiry more forcibly than it was in his power to command language to answer it. The effect was to promote fearful expansions when large amounts of public money were placed upon deposit, and ruinous contractions when the necessities or the policy of the government required its payment. The effect was to stimulate dangerous excesses, not the banks only, but their customers, when money was abundant in the treasury, and to add to the pressure, by heavy calls from the treasury, when there was a scarcity. In short, the effect of the latter system upon the banks had proved, upon trial, to be unmixed evil, while the influences of the former promised to be rather favorable than unfavorable.

Fifth. The next and most important comparison between the two systems was the influence of each upon the government of the country and its finances. The proposed system would place the money of the government, at all times, within the power and control of the government. It would enable the government, at all times, to pay its debts in a currency not depreciated, a currency equal to the standard of the Constitution and the law. It would render the government financially independent, and maintain it in that position. Under such a system we should no more

hear, what we were now daily hearing in this hall, that honest citizens had been defrauded, by being paid their demands against the treasury in bank paper, which was depreciated or worthless, and that Congress ought to indemnify them for their losses thus occasioned. These were some of the benefits certain to be derived to the government from the adoption of the system provided for by the bill; but there was another, and, in his judgment, far greater benefit, equally certain to flow from its adoption. It would exempt the government from the constant and innumerable imputations of injuries to trade, to the currency, to credit, to the private affairs of individuals and banks, from its financial movements. Was any person whom he addressed insensible to the moral and political evil growing out of these complaints; to their strong tendency to alienate the feelings of the people from our most valuable institutions, and to bring them to look upon all government as a curse and not a blessing, as calculated, not for their protection, but destruction and ruin? He would remind the Senate, very briefly, of the course of these complaints for the last four years.

“The government removed the public money from one single bank and placed it in several others. A clamor followed the act; a panic was excited; banks failed, merchants failed, money was made scarce, the currency was disturbed, credit received a shock, and, for some four months in succession, we heard nothing here but scenes of distress, general ruin, and almost famine; and all in a time of as great plenty and abundance, not of the necessities of life only, but of money, as our country had ever witnessed. The panic passed off, and business of every description, and enterprise of every character, sprung into increased life and activity. The public lands commenced to sell rapidly, and our revenues became excessive. Then came the second complaint which he proposed to notice, and it was, that the whole splendid public domain, that rich inheritance from our fathers of the Revolution, under the operation of the ‘pet bank system,’ was going or gone — was being exchanged, for what? For ‘bank rags.’ That complaint lasted us for the most of one session of Congress, but nothing was done by legislation to remedy the evil. The accumulations of revenue had by this time come to be

vast, and this gave rise to a third complaint. It was double in its character and contradictory with itself, and yet it entertained us during a large share of one of our sessions, and finally produced legislation. It was, to-day, that the government was actually looking up in the banks all the money of the country, while the honest and hard-working citizens were suffering for its use; to-morrow, the almost countless millions were loaned by the pet banks to favorites of the executive, and members of the dominant political party, to enable them to make speculations in the public lands, and in all other descriptions of property, to the injury of fair business men and the ruin of the poor. So far were these complaints carried, inconsistent and contradictory as they were, as to make a sensible impression upon the public mind, and finally to induce almost all the members of this body to vote for the deposit law of 1836, which was to dissipate this hoarded fund and place it in safe-keeping with the States. The Secretary of the Treasury commenced the necessary measures to execute this law, and very soon found that the money which had been so injuriously hoarded, in our debates here, had been in fact rather too much dissipated before Congress interfered with it. This raised another complaint. The Secretary was wantonly executing the law, because he did not like its provisions. He was giving drafts upon the banks which had the money, for acceptance and payment, as the law required; when, if he had given them for transfer merely, the banks would not have been injured. During the first part of this process the sale of the public lands continued at an accelerated pace; and, although Congress made a strenuous but fruitless effort to remedy the evil, the complaint commenced again that the public domain was being exchanged for irresponsible bank paper. The President took up the subject, after Congress left it, and directed the land officers to receive nothing but gold and silver in payment for lands. This laid the foundation for a new and continuing complaint. The payment of the immense deposits to the States produced the necessity for equal collections on the part of the deposit banks from their customers. These collections occasioned a scarcity of money, and it was the 'specie circular' which had done it. Their foreign debts pressed upon the merchants, and the calls upon them from the banks dis-

enabled them to pay; but the specie circular had wrought the mischief by marching all the gold and silver of the country to the west to purchase lands. Embarrassments continued to increase; extensive failures of merchants and others took place; and finally, in May last, all the banks of the country suspended payment. Still, the government was principally in fault; the specie circular had taken all the metallic currency to the interior, and prevented it from going to Europe to pay our foreign debt; and the banks could not pay specie until that debt was canceled. Time passed on. The funds of the treasury were in the banks and could not be commanded, and an extra call of Congress became necessary to relieve the debtors of the government and supply the treasury with funds. The banks were complained of for their excesses and improvidence; and the fault was that of the government, for having placed in their hands such immense deposits, to be called for so suddenly, and for having checked their excessive issue of paper by the specie circular. Congress was convened, and the present President transmitted his message, proposing to end these complaints by an entire severance of all business connection between the national treasury and the banking institutions. This, at once, changed the face of things, and showed the President and the administration hostile to the banks; and now, although the foreign debt is paid, and foreign exchange down to par, the banks cannot resume payment for fear of the government.

"He would ask, in all candor and in all sincerity, if any history of facts could show more conclusively the impropriety of this connection between the finances of the country and the affairs of individuals and banking incorporations; if there was a man who heard him, who did not see and feel the necessity of relieving the government of his country from these constant and contradictory complaints? The proposed system will do that, and, in his judgment, that alone would be one of the greatest benefits which could be conferred upon the nation.

"If such will be the influences, upon our finances and government, of the system proposed, what influences are to be expected from the State bank system? Certainly, to place the money in the hands of the people beyond the control of the servants of the people, and

n the control of the banks ; to disenable the government
y its debts, except in a depreciated currency, whenever the
of the banks are depreciated; or to abandon its money,
ted and accumulated in the banks to meet its debts, as a
rce for that purpose, and to resort to its credit to raise the
s by which legal payments can be made ; to render the
ry, at all times — under all circumstances and in every emer-
r, even that of war not excepted, and after the money for
ublic use had been collected from the people — financially
ident upon banks, in the management of which it has no
, and over which it has no control ; to subject the govern-
to all the complaints which have been recapitulated, and
nes of others of a like character ; in short, to subject the
ury of the nation to all the fluctuations to which an ordinary
ing or commercial house is subject ; to make it instrumental
omoting excesses in both, and then chargeable with all the
which may befall either itself or the banking and mercantile
ests. Should he spend the time of the Senate to prove that
were the necessary consequences of the system of State
deposits ? In the face of recent and severe experience,
to the treasury and to the country, would proof of these
ions be called for ? That experience furnished the clearest
strongest proof, and those whom it had not convinced, it was
in for him to attempt to convince by fact or argument.
, to his mind, were the comparative influences of the two
ms upon the government of the country and its finances.

sixth. He would extend his comparison to a single other
, the influence of each system upon the general currency,
dismiss this part of the argument.

he system proposed was clear and certain in its action in
particular : It would secure a sound and standard currency
ie national treasury, whether that currency should be gold
ilver or bank paper, and it would exempt that treasury from
uctuations of an unregulated and varying currency. So far,
fore, as the money operations of the government could influ-
the currency generally, the influence exerted by this sys-
must be salutary ; as it must be to sustain a general currency
to its own standard. If that currency should come, in

time, to be gold and silver only, the system would exert another beneficial influence. It would not only present a standard of currency worthy of imitation, but, to the extent of the whole public disbursements, it would constantly circulate among the people a basis for the paper currency of the State banks, and thus aid them in keeping their representation of coin stable and firm, and equal in value to coin itself. Beyond these influences, it would leave the people and the States to regulate, in their own way, and without the interference of federal power, that portion of the general currency which, by the division of power under our system, falls within their jurisdiction and is the constant subject of their action. It would then be clear to all, if that portion of the currency should sink below the standard of currency for the public treasury, that wrong existed somewhere in State legislation, or in the management of those intrusted by State legislation with the regulation of that currency; and the federal authorities would be free from imputation or suspicion, and would stand before the whole country holding up the true standard of currency, and inviting from the State authorities a correction of the errors which should at any time disturb or depreciate that portion committed to their care.

“How, in this respect, does the opposite system act? The State banks are, to much the greatest, if not to the entire, extent, private institutions, controlled by private individuals and private interests, and owned in whole, or to the extent of a majority of the capital, by private citizens, as private property. Private gain, then, as a necessary and natural consequence of the very constitution of these banks, was their principle of government, and, as an equally necessary and natural consequence, they would keep that portion of the currency which they were authorized to furnish for the country at a sound standard value, when private interest and the prospect of private gain should so direct, and they would suffer it to depreciate by the same rule. Give them the national treasure, and permit them to subject it to the fluctuations of their interest, and can a stable currency be expected, either for the treasury or the people? Who are the legitimate customers of the banks? More particularly the merchants.

Their business pervades not the whole of their own country only, but the whole civilized world. The laws of the States of the Union, therefore, are regulations much too limited for them; and even the laws and regulations of any single government, as to either trade or currency, are but municipal in their character when applied to their operations. Still, they themselves have local habitations and the case may well and frequently occur; when it is vastly more important to them that they should be able to command specie to export, in liquidation of their foreign debts, than that our local banks at home should redeem their notes in specie. What, in such a condition of trade and of the mercantile interest, will always be likely to be the condition of our local banks? Set aside the consideration that the merchants may be able to control those institutions from the stock they hold, and merely assume that they are the principal debtors to the banks, and are to continue to be their principal customers; let the argument rest here, and give the banks the possession and control of the national treasure, which interest would prevail? Would the treasury of the country be sustained, and the payments to the public creditors be made in specie or its equivalent, or would the views and wishes of the merchants be consulted, and the currency be made to bend to private and corporate interests? Let the experience of the last year answer the inquiry. He would express his confirmed opinion that, under such a system, the currency of the public treasury must share all the reverses and fluctuations of foreign and domestic trade, and all the hazards of corporate banking, as a private interest. Hence the operations of the treasury itself must be suspended, or the law of Congress, as to currency, violated, whenever revulsions shall oppress the country and the customers of the banks, or the alternative be resorted to, as it recently has been by the national authorities, to convoke Congress, relieve the banks and the public debtors, and resort to the credit of the nation to sustain its treasury until the natural operations of healthful business shall again restore the equilibrium.

“Such, in his mind, were the probable influences of the two systems upon the general currency of the country.

“He would now proceed to answer a very few of the promi-

ment objections made to the bill, and pass, as rapidly as possible, to his conclusion. The first of these objections which he would notice was that the system proposed by the bill was an attack upon the State banking institutions, calculated to destroy their credit and usefulness. This, if true, was a grave charge, and, therefore, required some consideration. An attack must be an infringement of some vested right, or a course of treatment so manifestly against the public good as to partake of wantonness and immorality, or a spirit of revenge. Was any right of these institutions proposed to be infringed upon? Did their charters, granted by the States for fixed and specified purposes, include among those purposes the safe-keeping or profitable use of the money of the whole country? Was there a provision that they should be fiscal agents of the national treasury, or that their credit should be sustained by the money and credit of the people of the United States? No. No such provision was ever heard of in the charter of any State bank. No right of the institutions was, then, infringed, by withholding from them both the keeping and use of the public money.

“Was any faith or confidence, due from this government to the States or to these institutions of their creation, violated by the proposed separation? The States had chartered banks for particular locations, with capitals such as the locations seemed to demand; but would any one pretend that, in granting these charters, the State Legislatures had counted upon the money in the national treasury, or the credit of the federal government, to sustain and make useful the banking institutions to which they were giving life and power as banks of issue and discount? Did any State Legislature ever, by word or deed, cause it to be understood, either by the people or the institutions, that banks of their creation were mere skeletons, powerless and helpless, and that the life and health-giving principle was to be breathed into them by an extension of the patronage of the federal government, in the shape of a profitable use of its money, and a command of its confidence and credit? Never. Had the federal government, by any act or expression, authorized an expectation of this patronage and confidence, except upon conditions which had been violated by the banks, and had thus forced a separation between

the treasure of the country? He was aware of no such session. The separation exists, and has been forced upon us by the banks themselves, and the simple question is, how to renew it? In what sense can the decision of that question, however that decision may be made, be an attack upon the Constitution?

The idea was a mistaken one, and the objection, in which it could be viewed, was unfounded and unjust. He proposed, however, for the purpose of illustrating his conclusion and making it more clear, to call to the attention of the Senators a single chapter in our financial history. Forty years of the existence of the government, under the Constitution, a national bank had been in existence, and he believed the national bank had been in existence, like from recollection, but he believed the national bank for the whole period, the exclusive depository of the public money and the exclusive fiscal agent of the treasury. He was so during the twenty years' existence of the last national bank, and he thought it was so under the old bank.

State banks were not depositories of the national money, nor fiscal agents of the national treasury, and had it been asserted that this legislation was an attack upon these banks, or that their credit and usefulness were thereby impaired, he would have been ready to deny it.

But, again: during the existence of the last Bank of the United States the notes of the State banks were not discounted by the national bank, and were not receivable in payment of the public dues but at the pleasure of the national government. Then, as every bank receives the notes of its neighbor, and every bank is free to take them out of circulation, and return them to the issuer, to be converted into specie or specie funds. Did these banks languish and die under this congressional legislation? Did they not rather take root and flourish, and become more and more stable and useful? Has not a large and powerful party in this country ever contended that the checks and discounts, exercised by the national bank, during this period, were salutary and proper? Was not the national bank, as a great balance-wheel, regulating and equalizing the operation of the whole complex machinery? What is proposed by the bill but that, to the extent of its operations, the national treasury shall form the same check and restraint

upon the local banking institutions? That it shall keep the public money independent of them? That it shall either not receive their notes in payment of the public dues, or, receiving, shall frequently present them for conversion into specie or specie funds? The only difference will be that the treasury will not enter into competition with the local banks in the business of banking; that it will leave that whole field to them, and merely content itself with a sound currency for its transactions. How, then, is it possible that those who saw such benign influences to the local institutions from the wholesome restraints of a national bank, should see such baneful effects to follow the same influences when flowing from the public treasury? — should see there an attack upon the institutions, a prostration of their credit and a total destruction of their usefulness?

“He was aware that the system proposed was new, and substantially untried, so far as the legislation and the practice of our government was concerned; and it would be admitted by all, that, as a new measure, it had met the full share of denunciation, which almost all changes from established custom, almost all reforms, however valuable and useful, are destined to meet, when presented in the mere shape of propositions for the acceptance of the public. It was not his habit to speak disrespectfully here of the actions or the motives of any; and he certainly did not intend, in the remark he was about to make, to express any want of charity toward the course or opinions of any side of the House, or any individual in it. He yielded to all that credit for purity of purpose and sincerity of intention which he wished them to award to him; but he must say that he had never seen more active, zealous and persevering efforts to forestall public opinion, upon any measure of legislation, than had been used toward this, from the appearance of the message of the President, at the extra session, to the present hour. He had seen this with the more deep regret, because some of the most respectable, intelligent and influential of those who had been friends and supporters of the administration, and who, he trusted, were yet so, were among the most active in opposition to this measure. They so acted because they so felt and so thought; and if they used efforts to prejudice the bill in the public mind, it was because

precated its passage as, in their judgments, injurious to public interests.

He would entreat them, however, to pause and reflect. Experience had tested the imperfections of the State bank deposit system, of which they were advocates, while experience had little to approve or condemn the system proposed by the bill that had been in substantial operation since the suspension of specie payments by the banks, in May last. It was forced operation by that suspension. It found the currency of the country deranged, the credit of the country depressed, and the resources of the country prostrate and at a stand. He would not say that these were the consequences of the State bank deposit system. He had said upon that point all he intended to say; it was a matter of history that these disasters had come upon the country under the practical operation of that system. What was the effect of the operation, for two-thirds of a year, of a system which it was supposed would destroy credit, depress trade, discourage enterprise and exertion, and send the country back to a state of barbarism? Foreign exchanges had been, at the time, down to and below par in our commercial market, thus affording conclusive evidence that our foreign debt had been reduced within ordinary limits; domestic exchanges rapidly approximating a healthful state, furnishing the evidence that internal trade was gradually and steadily reviving itself; property retained a fair value, and found a ready market; credit and confidence were gaining strength; the banks, as a general remark, were recovering from their embarrassments, and preparing for a speedy resumption of specie payments. Such seemed to be the history of our business prospects at the present moment. He did not mention these facts to ascribe them to the operations of the national treasury, or the manner in which those operations had been conducted, but the suspension of the banks, but to prove that the practical operation of a system for the management of our finances, such as was substantially provided for by the bill, had not had the effect of producing and defeating these great and beneficial business results, but of repressing the immense energies and of crippling the vast resources of our extended country.

“Surely, then, so far as experience has afforded evidence, it offers no cause for discouragement to the friends of the measure; and inasmuch as opinions beyond that, whether favorable or unfavorable, are little more than conjecture, the opposers of the bill should not demand of us to surrender our favorable judgment, though thus slightly tested, in favor of a measure which repeated experiment, both in adversity and in prosperity, has proved to be delusive and dangerous.

“The next objection he proposed to notice was, that the operations of the bill would be to separate the government from the people, and to secure a sound currency for the public officers and a base currency for the country.

“This, again, was a startling objection and required examination. Its first assumption was, that the tendency of the measure under discussion would be to separate the government of the country from the people of the country—to elevate the former and depress the latter; and the second was, that the separation would be marked by a difference in the value of the currency to be provided for and secured to each. Had either of these assumptions any foundation in fact, or even in fair apprehension?

“He had already attempted to show, and thought he had succeeded in showing, that the financial system proposed by the bill was preferable to the State bank deposit system in the following respects, namely: In the safety it afforded to the public moneys; in the expenses and risks attending its administration; in its salutary influences upon the banking institutions themselves; in the limitations of patronage added to the executive branch of the government; in the independence it secures to the government financially, and the exemption it confers from injurious imputations; and in its tendency, to the full extent of the operations of the national treasury and of the exertion of all the constitutional power of this government, to produce and maintain a sound and stable currency for the whole country. If he had succeeded in establishing these positions, would it, could it, be said that a system possessing such advantages was calculated to produce separation and alienation between the people of the country and the government of their choice? He could not believe it.

“But the objection assumed that this separation was to grow

out of the different currencies produced, for the government and the people, by the necessary action of the system. That the effect of the bill would be, and was intended to be, to produce and maintain a uniform and sound currency for the national treasury and for all who might have demands upon it, as well the officers of the government as others, was most freely admitted. Indeed, this was claimed as one of the principal merits of the system. But did it follow that, because the bill had this tendency, it would therefore tend to debase the general currency of the people? Certainly not. No such consequence followed.

“On the contrary, it had been already shown that, so far as it should exert any influence upon the general currency, that influence must be to raise that currency to a level with that secured to the treasury. If, then, the people were to have a base currency, they were to have it, not in consequence of the bill, but in defiance of it; they were to receive it, not from the public treasury, but from the State banks; not from the evils of the legislation of Congress, but from the evils of State legislation. Did any one pretend that the bill could exert an influence to debase any portion of the currency upon which it had no direct action? He had not heard it so contended, and he felt sure that no such position would be assumed. If the currency upon which it did directly act and the standard of which it regulated were to be base, then it might be well apprehended that its indirect influence would be to draw down the general currency to its level; but as the gist of the complaint is that the standard of currency it assumes for the government is higher than that of the general currency, so it follows, by a parity of reasoning, that its indirect influence must be to raise the general currency to its standard.

“In all this he was constrained, most respectfully, to ask where was the ground of complaint, unless gentlemen were ready to take the position that a sound, uniform and standard currency could not be sustained in the country, and that, to avoid invidious distinctions between the government and the people, the national Legislature, possessing the power to fix the standard of currency, should at once adopt a base standard, and thus conform the currency of the treasury to that which it might be the interest of the local banking institutions to maintain. He did not believe

that any advocate for such a doctrine was to be found here; but if such a one should appear, he had only first to deny the position wholly, and to assert that a sound currency could be sustained in this country, without an infringement upon the power granted to Congress, by the Constitution, for the means of accomplishing the object; and second, if the position should be granted, to deny the inference, and contend that it was the constitutional duty of Congress to keep the currency of the national treasury up to the standard of gold and silver, in any event.

"The next, and only other, objection he proposed to notice was, that the tendency of the system provided for by the bill would be to withdraw from circulation and use, and to hoard in the several depositories, too great a portion of the gold and silver of the country.

"He had but a brief answer to this objection. It never could be true at times when the revenue and expenditures of the government were properly adjusted. If they were equal, as they should be, the receipts of revenue would be taken in one hand, and the disbursements for expenses would be made with the other. Nothing could be hoarded but the amount which the widely extended operations of the treasury compelled it to keep *in transitu*; and that was just as much, and no more, hoarded than the money of the merchant at a distant point, either during the time that notice of its collection was traveling to him in the mail, or his draft for it was passing back to the point where the money was on deposit. This amount would vary from three to five millions of dollars, including the amount constantly retained in the mints in the process of coinage; and he would repeat that, when the revenue and expenditures should bear a just proportion to each other, as they always should, no further or more dangerous hoarding could take place under the bill.

"But suppose that a time should again come when overtrading and speculation, in every branch of business, should commence the accumulation of another surplus revenue, such as had afflicted the country for the last few years, then, for himself, he should consider this tendency of the bill one of its most valuable features. Let overtrading go on, and speculation spread, and let the amounts paid for duties and lands be collected in gold and silver,

and hoarded in the public treasury and by its depositaries, except so much as is wanted to meet the fair expenditures of the government, and how far does any man believe these deranging and injurious business excesses would proceed? Not, Mr. President, to the prostration of business and credit, and the currency of the country. No, sir; the banks, instead of promoting, would be compelled to arrest them, and to restore business to its legitimate and proper channel, before the country could receive a shock, or the people injury.

“It was wrong for him, however, to spend the time of the Senate in the discussion of this objection, as it was expressly met by a provision in the bill. He referred to the twenty-first section, which made it the duty of the Secretary of the Treasury, whenever there should be on deposit to the credit of the treasurer a sum greater than four millions of dollars, to dissipate the money so hoarded by an investment in national or State stocks. This must relieve the apprehensions of all upon this point, as four millions was the greatest amount which could, at any one time, be permitted to remain in the possession and keeping of all the depositaries constituted by the bill. As, however, he had discussed the provisions of this section somewhat at length, in the course of his remarks upon the provisions of the bill generally, he would omit any further remarks here.

“He had now closed what he proposed to say, having particular reference to the system of finance for the national treasury recommended by the committee, or as to the ostensible antagonist system of State bank deposits.

“But there was a third alternative — a national bank — which he must not omit to notice, in his extended discussion of this great subject. He was bound, however, after having so long respassed upon the time of the Senate, to relieve the members from the apprehension that he was now to enter upon this interminable field of debate. No: nothing in this field presented to him matter for debate. He entertained the most firm convictions that the Constitution of the United States had conferred upon Congress no power to charter such an institution; but every argument upon that great question had been again and again presented to Congress and the nation in a manner much more

forcible, and from sources much more commanding, than any thing which could be advanced by him. It was, therefore, to him a question not for discussion but for action, and, unless his present views upon it should be radically changed, for negative action only.

“He had heard, since he had been honored with a seat in this body, many ingenious arguments in favor of the power, but all had sought to derive it from necessity or expediency; and it was due to the authors of these arguments to say that, to his mind, no very nice distinction had been preserved between necessity and expediency. It had been said that a uniform currency was necessary for the country; that such a currency could not be produced or maintained without a national bank, and that, therefore, Congress had the power to charter such an institution. That a uniform currency was expedient and highly desirable for our wide-spread country, no one could doubt; but that the country could get on very comfortably without such a currency, had been proved by the actual experience of several periods in our history. That a sound and standard currency was necessary to the existence of commerce; that such a currency could not be established and sustained in our country but by congressional legislation, and that, therefore, Congress had the power to create, as well as to regulate, such a currency, has been contended here. No one will be disposed to question the position that a sound and standard currency is very desirable to a commercial country; but that commerce can be carried on, to a considerable extent, without money of any description, is a fact not to be questioned. These instances are mentioned, not to question the expedient and useful tendency of the arguments, so far as they go, to show that a uniform currency is highly important to every civilized country, and that a sound medium of exchange is of the first utility in commerce, but to question how far the argument of necessity, in either case, can be safely relied upon as the basis of a grant of constitutional power, and to show that, in either argument, there is no little difficulty in settling the dispute as to where expediency and utility end and necessity begins. For himself, he repudiated all such arguments, and all arguments, of every character, founded upon simple necessity, as establishing grants of power under the

stitution of the United States in favor of the Congress of the United States.

A single remark upon the question of chartering a national bank, as a mere matter of expediency, if all questions of constitutional power were out of the way, and he would dismiss this subject. The experience of his own time, the late proceedings of the First Bank of the United States, had satisfied his mind that dangers to our political and civil institutions from such an organized money power vastly overbalance any anticipated benefits, and that, as a simple question of expediency, such an institution ought not to be chartered by Congress. Neither the hour of the day, the patience of the Senate, nor his own strength, would permit him to enter upon a further discussion of this point at present; and his only purpose having been to pronounce the opinion he had pronounced, he would pass to his conclusion.

The three alternatives had been presented. The condition of the public treasury, of the currency, of the business of the country, and general public expectation, demanded action from Congress. The committee of which he was a member had presented to the Senate the bill upon the table, as the action which a majority of its members proposed. This bill was to be opposed on two sides of the House. The friends of the State bank deposit system, and the friends of a national bank, were alike, and either, to be met and overcome, or the bill could not pass.

In this condition of the question, and of the Senate, he considered it to be his indispensable duty to present, what he believed to be the real and true issue, fairly and fully to the Senate and country. And what was that?

In his judgment, it was the adoption of some system based on the principles of the bill under discussion, or a national bank. He saw no prospect of success for any middle ground. What were the evidences of our senses upon this subject? Look at the divisions in this body. The party friendly to a national bank had always repudiated the State bank deposit system as dangerous in its additions to executive power, as inefficient as to the currency, and as unsafe as to the public money. Was there any evidence that those members of that party here had changed their opinions as to that system? He knew of none; and were

he to judge from the language of that portion of the public press which was supposed to reflect their opinions, or from what had but recently passed here in relation to the failure of a deposit bank in Boston, he should be compelled to say that no change in that quarter had taken place. But he would appeal to the gentlemen themselves, and ask if recent experience, as to that financial system for the national treasury, had changed their feeling toward it—had endeared it to them as one they were now desirous to make their own? Are they willing to surrender their favorite project of a national bank for this alternative? Will they not tell us, in frankness and candor, that, with one or two solitary exceptions, perhaps every man of them is for a national bank, as, in their judgments, the only effectual remedy for the financial difficulties of the country?

“If such continues to be the feeling of the party which opposed the late administration, and equally opposes the present, what is the condition, in this respect, of those who have hitherto supported both? Is there not, numerically speaking, a very great degree of unanimity of sentiment with them, in favor of the bill, at least so far as a practical and *bona fide* separation from the banks is concerned? He supposed that to be the fact, and he referred to this division of feeling here, upon this subject, with no pleasure. He knew and felt that those with whom he had long, intimately and pleasantly associated, personally and politically, were to differ with him upon this measure. He regretted the difference as much as any one of them could. He entertained no unkindness of feeling toward them on account of this difference of opinion upon a particular bill. He yielded to them all the sincerity of convictions of public duty which he claimed for himself; and he assured them, one and all, that no remark which he had made, or was about to make, had been or should be, on his part, intended to wound their feelings or censure their course. They, like himself, were responsible to their constituents and the country for their acts here, and he did not entertain a doubt that that accountability would be discharged by them according to their most firm convictions of right. Yet he must appeal to them to say if they did not believe the public opinion of the country was very justly reflected in the two Houses of Congress.

upon the three alternative propositions he had discussed? If they had seen any evidence, from recent political results anywhere, to authorize the belief that the State bank system of deposits, to which they still adhered, was gaining favor in any quarter? If they did not perceive that the two other systems were dividing the great mass of the public mind of the whole country? If they did not feel, in the recent history and present condition of the State banks, that public confidence could not again be restored to that system of deposits by legislative enactments? If they did not fear, in assuming the positions they were compelled to assume, that banks were necessary to the successful and proper administration of the finances of the federal government; that it is within the power, and is, in some sort and to some extent, the duty of this government to regulate the whole currency of the country; that the regulation of exchanges, too, if not directly, was incidentally a matter for which the government should be held responsible, and that the custody and safe-keeping of the public treasure should be committed to banks, and not to the constituted authorities of the government; did they not fear, he would repeat, that, in assuming these positions, they were merely aiding and strengthening the friends of a national bank? That they were furnishing what might be considered as evidence, to those who could listen to such an argument, to prove that a national bank was necessary under our system? He did not put these inquiries from anything which had been advanced here, but they were suggested from the course of argument which he saw constantly used in the public press and elsewhere, to sustain the ground which these friends had assumed, and he must say that it seemed to him like yielding the whole field to the advocates of a national bank; that it was making such an institution, and some system founded upon the principles of the bill under discussion, the real alternatives before the country, and bringing the contest, if not here, elsewhere, to that issue.

“He was sorry to have detained the Senate so long, and, as the best atonement he could make, he would resume his seat and trouble them no farther.”

The bill finally passed the Senate on the 26th of March, 1838—yeas 27, nays 25—and was sent to the House, where it was, on the next day, laid on the table by a vote of ayes 106, nays 98. No further proceedings appear to have been taken on this subject during the twenty-fifth Congress. The matter was revived in the twenty-sixth Congress, and a similar bill passed both Houses and became a law on the 4th of July, 1840.

A bill had been reported, of a similar character, in the House by Mr. Cambrelling, which was rejected in the House on the 25th of June, 1838, by a vote of 111 to 125. A motion to reconsider was rejected—ayes 21, nays 205.

MR. WRIGHT TO LUCIUS MOODY.

“SENATE CHAMBER,
“WASHINGTON, 12th February, 1838. }

“MY DEAR BROTHER.—Your favor came to us some days since. I will be frank and tell you that my first effort was to persuade Clarissa to give you an answer and save me the time and labor, as I have on hand here constantly more than I can possibly attend to well. Yet my persuasion failed, and I was thinking about attempting to use authority and compulsion when alone came a note of invitation to us to dine with the President on Saturday. We accepted, of course, and all answer to your letter was swallowed up in preparation for the dinner. It came. We attended. Mrs. Wright was led to the table by the President himself, seated at his right hand, by a caution very proper on the occasion, did not get under the table, and went through the whole ceremony in fine style. We got home at ten o'clock. I did not get locked out again, because I did not leave the bedroom for a time long enough to permit of turning the key. Not that I would insinuate that a disposition existed in any quarter to lock me out, but that having once had my fears excited in that direction I was a little *sceary* upon that point.

“However, the night passed well, and the morning found Clarissa in fine health and in as fine spirits; but I observed in the course of the day that she was rather particular. The rocking

chair or my full-stuffed and cushioned chair were the only seats which seemed to be convenient, and dresses and dinners and agreeable parties and such like subjects seemed to be matters of greater moment than on any day before.

“From this you will see that we are well and getting better, although there were forty-five candles lighted upon our dinner table, and the *olives* were served at the usual time and in the usual profusion.

“As to that boy, Lucius Horace or Horace Lucius, we would prefer his personal presentment to your brags about him, although we acknowledge his polite note, and his aunty, when she gets *down* from the dinner, will send him some evidence of her relationship and affection.

“Tell Julia, if she will write, Clarissa will be compelled to answer her, and that nothing could give us more pleasure than to hear from her.

“In the meantime, when you shall be willing to write, I will give you nonsense if I cannot give you sense, and if I cannot find any other time will write as I do now, from my seat and under the hearing of fervent speeches upon various important subjects, and then you must not hold me personally responsible for anything I write.

“I am most happy to say to you that Clarissa’s health is regularly though slowly improving, and that our hopes strengthen every day that she will eventually recover sound health again.

“Most truly yours,

“SILAS WRIGHT, JR.

“Capt. LUCIUS MOODY.”

LETTER FROM MR. WRIGHT TO JOHN LESLIE RUSSELL.

“WASHINGTON, 19th April, 1838.

“MY DEAR SIR.—At my request Mr. Croswell has sent me a number of the inclosed report, to the number of our towns, and I have sent one to some active friend in each House. I send one to you, though I doubt not he will send some copies to you himself. I think it important that these subscriptions should be extended, as far as practicable, in our county, as we are to have a

desperate fight in the fall, and so much do the allied opposition, and the conservative *platoon* in particular, think of breaking ~~in~~ upon our county and congressional district, that they will spare no efforts to effect it. Can you not induce some few persons ~~in~~ the vicinity of North and South Canton post-offices to subscribe, so as to get some five or six, or more, copies sent to each of those offices?

"Then will not our friend Col. Barker get a few subscribers ~~for~~ his neighborhood, and our friend Whitney for the Rapids? Suppose you suggest to Harrison the propriety of subscribing for ten copies, to be directed to the proper names at the Rapids, and sent to the North Canton office.

"If you see Mr. Church, do me the favor to tell him that I have this morning, for the first, received information of the payment of the first installment of Mr. Loyd's estate, one-third, and that the legacies will be paid soon. Nothing can be paid to the residuary legatees until the debts and other legacies are all ascertained and paid off, but the person I have substituted to transact the business there tells me that he expects there will be a small sum out of this one-third coming to them. I wrote to New York by this mail for information as to the best mode of remitting the funds. My agent writes that the payment has been made in the funds of the New Orleans banks, which is, of course, in the notes of those banks, and that the payment will be made to him in the same medium, and he requests instructions as to what he shall do with the money. I have written to him this morning, telling him I will give him directions in a few days. He advises me to let him send a certificate of deposit, because he says a draft on New York will cost a high premium, but he does not say how high. My object in writing to New York is to learn how I can sell a certificate of deposit, and what premium I ought to pay for a draft. Tell Mr. Church I will get the business done at the lowest rate I can, but that he must prepare his mind for a severe charge of premiums and commissions, etc.

"In great haste, most truly yours,

"SILAS WRIGHT, J. R.

"JOHN LESLIE RUSSELL, Esq."

CHAPTER LXVIII.

THE INDEPENDENT TREASURY BILL AND MR TALLMADGE.

When the independent treasury bill was called up, on the 8th of February, 1838, Mr. Tallmadge, Mr. WRIGHT's colleague, made a demonstration against it, and took the bank side of the question, and assumed that he, and not Mr. WRIGHT, truly represented their constituency. Mr. WRIGHT thus defended his position :

“Mr. WRIGHT said he rose more because he supposed the Senate would expect him to reply than because he was disposed to do so. The remarks of his colleague had been principally confined to questions belonging to the State which they had the honor to represent here, and its citizens, and not to questions involved in the discussion before this body.

“It had been his object, and, he believed, his habit, to confine himself to the debate before the Senate, and he could not be induced now to vary from a rule which he had found so salutary. In the part he had taken in those debates, he had endeavored to discuss every topic with temper and moderation, and to respect the feelings and courtesy due to every member of the body, whatever opinions he might hold.

“That, too, he intended to do now. And as it was certain that any discussion between himself and his colleague upon questions which did not pertain to our duties here, which related to the action of their common constituents, and to the results of elections and the like, would be almost certain to throw them into conflict, to develop a radical difference of opinions and views between them, and perhaps to excite personal feeling, he declined all such discussions wholly.

“He had, as he had occasion to say upon a very recent occasion, intended to treat his honorable and respected colleague with every kindness, and he could not follow him into a debate which might place the full execution of that intention beyond his power.

“They could yet both agree in one opinion: that they represented a people as intelligent, as free, as uncorrupted and incorruptible, as the constituency of any two Senators upon the floor. Whatever, then, might be their opinions of the causes which influenced a particular election, or to which its results were attributable, or whatever they might think of the influence of pending questions upon future elections, they could not claim that their opinions or wishes would materially influence that constituency. If they were free and intelligent and uncorrupted this inference was not authorized.

“The only question, then, which, as between themselves, they could properly debate was, in cases in which they were compelled to differ, which represented that constituency truly. This was a question which he could not discuss with his colleague here. It might be interesting to an audience, but it could not be useful to the country to hear them wrangle upon such a point.

“He had not another single remark to make in reply to his colleague. He [Mr. Tallmadge] had understood the late annual message of the President to cast an imputation upon the independent electors of the State of New York of corruption at the November election in that State. This was the first construction of that character which had been put upon that document in any quarter. He, Mr. W., did not so understand it. The President alluded to the fact that the election was exclusively for State and not at all for federal officers. He also referred to the immense State and local and corporate and private interests which must be presented to the State Legislature then to be elected, and ventured to infer that the action of the people at the polls might be supposed to have been influenced by these considerations, and not by the questions of a national character then depending before the country and which might come before the present Congress. This was his understanding of the sentiments of the message; but the document was before the country, and was as well understood by the constituents of his colleague and himself as by them. A large portion of those constituents were as capable of placing a proper construction upon the language of the President as they were; and he must, therefore, decline any further discussion of that point with his colleague here.

“He must say, however, that he felt the deepest consciousness, and he knew his colleague ought to feel the same, that the President was incapable of making a charge of corruption against the people of his native State — that he had not done it in fact and certainly had not in intention.”

Here Mr. Clay, of Kentucky, came to the assistance of Mr. Tallmadge, and thanked him for his criticisms on the President's message, which Mr. WRIGHT refused to discuss, because it was not the subject-matter before the Senate. Mr. Clay said, in relation to this refusal, that Mr. WRIGHT “showed that he acknowledged the truth of the maxim that ‘discretion was the better part of valor.’” Mr. WRIGHT made the following appropriate reply :

“Mr. WRIGHT said the Senator from Kentucky [Mr. Clay] was over kind to his colleague; that if a controversy must arise between him and his colleague here, he, Mr. W., should have more than he could well attend to, to meet upon equal terms his colleague alone, without the weight of the distinguished Senator in the scale against him. It was, therefore, wholly unnecessary that the patriotic gentleman should have interposed himself as a shield to his colleague upon the present occasion.

“He could not, however, forbear one remark in reply to the Senator himself. That distinguished and experienced statesman had told him that, in declining the controversy with his colleague, he had illustrated the maxim ‘that discretion is the better part of valor.’ This was a sound maxim, and he, Mr. W., had intended, in all his actions here, to bear it constantly in mind. Since hearing the views of the Senator upon that part of the message of the President to which his honorable colleague had alluded, and his declaration as to the resolution in censure of the President, which he says he was inclined and prepared to offer, but which he finally omitted to present, he must say that, upon one single occasion, the gentleman had consulted the rule which he had so promptly complimented him for following. In this case discretion was, most clearly, the better part of valor in his action.”

To this Mr. Clay, good humoredly, replied : “All pretty fair ; very fair, sir.”

CHAPTER LXIX.

NEW YORK CITY REMONSTRANCE AGAINST THE INDEPENDENT TREASURY.

Mr. Tallmadge, on the 7th of March, 1838, presented a remonstrance, signed by upwards of 8,000 legal voters, as he stated, against the passage of the independent treasury bill. He said the proposed system was destructive to all the great leading interests of the country, and the measure the most dangerous ever presented to an American Congress. He said, "we had now an empty treasury; the sources of revenue were dried up; commerce and inland trade were languishing to the last degree, and if this Congress adjourn without doing something for the relief of the people, the consequences would be disastrous in the extreme."

Mr. Webster made remarks to a similar effect. Mr. WRIGHT presented his own vindication and that of the friends with whom he acted, as follows:

"Mr. WRIGHT said he should at this time, as upon all former occasions, enter into one of these incidental morning debates, arising upon the presentation of a petition, with extreme reluctance. After the remarks of his colleague [Mr. Tallmadge], however, and those which had fallen from the Senator from Massachusetts [Mr. Webster], he felt himself compelled to enter his respectful dissent from the positions taken by those gentlemen, lest his silence might, by possibility, be deemed an assent to them.

"The petition was from the common constituents of his colleague and himself. It was numerously signed, and he doubted not the petitioners were as respectable as any other body of citizens, of equal numbers, who had addressed Congress upon this interesting subject. He was happy to see their expressions

inion meet this marked attention from the Senate. These, like the other citizens of the State, had a right to claim for their opinions and interests the most respectful and faithful consideration of himself and his colleague. From his colleague they could certainly receive that attention, and it was his firm determination that they should receive it from him also. He rejoiced at they possessed an equal right with himself to speak here. They had spoken, and they should be faithfully and patiently listened to by him, and, so far as his convictions of duty would permit, their wishes should be binding upon him.

“Still, it could not be new to the Senate or to his respected colleague, and it certainly was not new to himself, now to learn that there were many, very many, among his constituents who differed from him radically upon questions of political principle and questions of political policy. This petition was but one of many proofs which had come before the Senate, since he had been a member of it, to prove that fact. It had been his design upon all former occasions to treat such petitioners with every respect, and to give to their opinions and wishes every aid which principle and duty would permit. The same design actuated him upon this occasion, and he must not, therefore, in anything he should say, be understood as indulging the language of complaint or assurance because this respectable portion of his constituents had condemned, in advance, a measure which he had aided in bringing before the Senate, and the adoption of which he considered essential to the best interests of the country. On the contrary,

commended them for their free expressions of opinion upon this and all other great measures of national policy, and it was not to make a single remark in relation to anything embodied in the petition for which he had risen. It was, as he had before stated, to express his dissent from the remarks of his colleague, made upon the presentation of the petition.

“His honorable colleague had assumed, in the broadest terms, that the present derangement of business and distresses in the country had arisen from the acts of this government. This, in his opinion, was a mistaken assumption. The immediate cause of the derangement and distresses was the present condition of the banks of the country; their inability to meet their obligations

and perform their chartered duties ; in short, their universal suspension of specie payments. Was there a member of this body, was there a person within the hearing of his voice, who would deny this proposition? He could not suppose there was. He knew well, however, that there was a wide difference, and a great variety of opinion, about the causes which had produced the suspension by the banks. It was not now his intention to go into that discussion. He had, upon a former occasion, given to the Senate, briefly and partially, his views upon that subject, and others had given theirs. He was satisfied that the causes assigned upon all sides had had their influence upon that result, but in very unequal proportions, and that any acts of any department of this government were among the secondary of those causes. All this, however, was not very material to his present purpose, which was to compare the declarations of the banks and their friends, at the time of the suspension, with subsequent events and present representations.

“What was the immediate cause of the suspension, as given by the banks and bankers, at the time it took place? Not, as all will recollect, the ulterior inability of the banks to pay their debts. No; this was strenuously denied, and the banks declared as perfectly sound and solvent as they had ever been; but it was said that we had overtraded, had imported beyond the proceeds of our exports, and had thus accumulated, in the hands of foreigners, a fearful amount of debt against our merchants; that this foreign debt was making pressing and insupportable demands upon our banks for specie for exportation; and that the banks were forced to suspend specie payments, to prevent an entire drain of the specie from the country, and give time for the crop of 1837 to be applied to the reduction of that foreign debt. A resumption was promised so soon as the foreign demand for specie should cease.

“What results have time and the healthful action of a prudent business produced? How are foreign exchanges at this moment, and how have they been for about a month now last past? Bills on England are actually *below* par in the principal commercial cities. They have been at and below this point for some weeks. Will it, then, be pretended that there is yet a foreign demand for

specie?—that if the banks uncloset their vaults, the specie will be exported and the country drained of it? No; the indications are strong and universal of a large influx of specie, growing out of the present state of the exchanges. Such was the information derived from the public press, and especially from several commercial papers opposed to him in politics. Still, the banks had not resumed specie payments; and were they soon to resume? This was a question of the highest interest, of the most vital importance to the business and prosperity of the country. He was most happy to be able to say he had new hope upon this point. He had seen, within the last few days, that the banks in the city of New York had resolved to resume, and make the attempt to sustain themselves in the full and perfect discharge of all their corporate duties and obligations on and after the tenth day of May next. He had not a doubt as to the ability of those banks, with possibly the exception of two or three, which were unusually involved, to sustain and carry out this just and praiseworthy resolve, if they could receive the countenance and co-operation of their neighbors in the other principal commercial towns; nay, he would go farther and say, if they were not warred upon by those neighboring institutions.

“Still, at such a moment, when the first dawn of light begins to show itself in the east, we see the distinguished Senator from Massachusetts [Mr. Webster] rising in his place and calling for further agitation of the public mind; inviting petitions from the people against a settlement here of a question which must continue injuriously to influence the public interests and to agitate the public feeling until it is settled by Congress by positive legislation. They had seen panics here before. His honorable colleague and himself had seen rolls of petitions upon former occasions as large as at that now upon the table. They had seen them from the same city, of which they and their State were justly so proud. They had heard invitations given here for agitation, for getting up meetings, petitions and remonstrances, almost in the words which the honorable Senator had used in the morning. Who had forgotten the scenes of 1834 in this chamber? Who had forgotten the excitement which, from those scenes, was infused into the public mind in every part of the

country during that memorable winter? Who had forgotten the deep and painful responsibility under which we all then acted? Still, we were not then frightened from our sense of propriety or duty. Both himself and his colleague then stood firmly on in what they believed to be the path of principle and of duty, and neither could have forgotten what was the influence of the month of May upon that panic. It melted it away as it did the ice and snows of the winter, and all was seen to have been false and illusory—the phantom of excited minds, which, when reason returned, gave place to unexampled prosperity.

“Did either the Senator from Massachusetts, or his colleague, wish to renew those scenes upon the present occasion? Did they hope that confidence in affairs of credit and money was to be established by universal and continued agitation—by a panic? It was proposed to postpone the bill to which the petition related until the next session of Congress, thus preventing any action in reference to the currency, either of the treasury or of the country, during the present session, and both the gentlemen had declared that the motion should receive their support. Did they believe that *pecuniary* benefits to the country would result from carrying these deeply agitating questions to the polls of election? If not, why invoke agitation now? Why attempt to increase an excitement already rendered sufficiently deep and extensive by the depressed condition of our monetary affairs? And, above all, why attempt to delay action for another year, and thus force an uncertainty upon the country, for that length of time, more injurious than almost any proposed action could be?

“The banks of New York deserved not only the thanks but the countenance and support, to every possible extent to which it could be given consistently with paramount national interests, of all men and all interests. They deserved the co-operation of all the other banking institutions of the country, and most especially of those in the large commercial cities, in their earnest attempt to resume and sustain specie payments. This countenance and support he was sure his colleague and himself must feel the disposition to extend to them, as far as a conscientious discharge of their public duties would permit, and, as the first and most important step they could take, in his judgment, they

ould use their every effort to secure speedy, positive and final action by Congress upon the subject of the currency and the safe-keeping of the money of the nation, to secure the permanent settlement of this exciting question of finance, that credit and confidence might have facts and certainties to rest upon; not a postponement of action, which would leave only hopes and fears dangerous to credit and destructive to confidence.

“He admitted that it was the duty of the banks in the city of New York to lead in the resumption of specie payments as they had led in the suspension. He admitted that their location, also, and the commanding business importance of that great city, made this duty upon those banks more strongly binding. But as they were most promptly followed by all the banks of the country in the suspension, so ought they to be followed with equal promptness and unanimity in the resumption. Would they be so followed? Painful doubts seemed to hang around the answer to this important inquiry. He hoped, however, that they would discharge their duty to themselves, to their State and to their country, and time would show whether the other banks would come forward and sustain and cheer them on or would attempt an exterminating war upon them.

“The most which Congress could do was to act promptly upon the great subject now before it, and thus settle the public mind as to the course of policy which the government was to pursue. Entertaining most deeply this conviction, he was rejoiced to hear said here this morning, by the opponents of the bill, that there was the prospect of its final passage. He hoped their apprehensions were well founded. He believed that the very best interests of the country required that the bill should become a law. He believed that the highest and most essential interests of these respected constituents of his who had remonstrated against it could be best served by its speedy passage. He therefore treated Senators to turn their minds to action here, not to agitation elsewhere; to the settlement of this unprofitable controversy, not to the influences which may be exerted through its further discussion before the people of the country.”

Mr. Webster and Mr. Tallmadge again addressed the Senate on this subject, to whose remarks Mr. WRIGHT made this reply :

“ Mr. WRIGHT said, but for the necessity of correcting an essential error into which his colleague had fallen, in the reply he had thought proper to make to his former remarks, he should not have occupied the time of the Senate further in the course of this debate. His colleague had considered it to be his duty, with what particular relevancy to any of the topics involved in the discussion he had not yet been able to discover, to allude to the subject of the distribution of portions of the public revenue to the States, and to the acts and opinions of the late President of the United States and of himself, and the friends who had acted with him politically in their own State. He had spoken of their opinions upon the power of Congress over, and the policy of, these distributions, and had made them all out to have been, constitutionally and politically, friends of the system. This was the error.

“ It was true that, some years since, the republicans of his State became alarmed at the rapid strides which the doctrine of prosecuting works of internal improvement within the several States, not only at the expense, but under the authority, and by the agents, and as the property of this government, was making here. They also saw that a rapidly accumulating surplus revenue was giving to the doctrine dangerous strength and force, and that some means must be devised to avert a result so destructive to our institutions as the adoption of such a doctrine and the extension of such a policy would necessarily prove. They saw attempts made in Congress to reduce the revenue to the wants of the government without success; and as the less dangerous of the two alternatives, considering both as fearful evils, they did repeatedly, through their Governor, through committees of the Legislature, and, he believed, on one or more occasions, through expressions of the Legislature itself, give a preference to the plan of distribution over that of a direct expenditure of the money by this government upon works of internal improvement within the States. If the funds of this government were to be applied to the construction of roads and canals within the States, they preferred that the appli-

ation should be made by State authority, and that the works should be the property of the States, and under their jurisdiction, rather than that this government should force its authority and its jurisdiction, and extend its property, its power and its patronage within the limits of those sovereignties for any such purpose. They did not, however, attempt to assume or express the opinion that Congress possessed the constitutional power to make the distribution to the States without an amendment of the Constitution for that purpose. In every message from a Governor, in every report from a committee, even including the report made by his colleague to which he had referred, and in every legislative resolution, the question of constitutional power in Congress to make the distribution to the States would be found to have been expressly reserved, as he verily believed. He spoke upon this point with great confidence, because it had repeatedly been his duty to examine those proceedings of his State since he had been a member of the Senate. Indeed, he believed he had now in the drawer of his desk a printed copy of every document which would be found upon the journals and files of their Legislature. He well recollected that the first mention made of this subject was to be found in one of the messages of Governor Clinton, and that he reserved the constitutional question in express terms. He did not recollect that but one other Governor (Governor Throop) had ever brought the subject to the attention of the Legislature, and he knew he had followed in this respect the example of Governor Clinton. It was during his administration that his colleague made the report, as chairman of the Canal Committee of the Senate, to which he alludes, and he was sure, when that question was carefully guarded in all the other documents, he could not have committed himself upon it in his report. In any event, as his colleague had done him the honor to refer to his opinions, and to say that they and all their political friends in the State were then agreed as to the policy, he could assure him and the Senate that he had never himself entertained or expressed but one opinion upon the point, and that opinion was that, without an amendment of the Constitution, Congress could not make the distribution proposed. That opinion had governed all his actions in Congress upon questions of such distribution, and con-

trolled his vote against the deposit bill of 1836 in the form in which it passed the Senate, as, in that form, he considered it a distribution bill.


“As to the expressions and communications of the late President of the United States, to which his colleague had so confidently alluded, he had only to say, if that distinguished statesman had ever anywhere contended for the power of Congress to distribute the surplus revenue among the States, without an amendment of the Constitution—had ever admitted that power or had ever expressed an opinion that it did exist—he had not seen the document; and he was confident a review of his communications to Congress would satisfy his colleague that he had mistaken their purport and meaning.

“As he was up, he would reply to one single other remark of his colleague, and he begged him to believe that he made the reply without any personal ill-feeling. No such feeling had existed in his mind toward his colleague, and he earnestly hoped no occasion would ever be given for the existence of such a feeling. His colleague had remarked, speaking of his own political course, that he had been all his life a straightforward man, and that he could not now turn a right angle, or an acute angle, at the command of political leaders. He must have a curve, a railroad turn—or, as the boys at school sometimes called it, a sweep of sixty—to turn in. He, Mr. W., did not doubt that his colleague had intended to be a straightforward man in his political course, and he thought it likely he had convinced himself that he had been so. He, too, had intended to be a straightforward politician, to govern himself by certain fixed principles, and to carry them out in all his actions; but he dare not say for himself what his colleague claimed, that he had been straight upon all occasions. One of them must have turned the angle or the curve, as they were very recently together, pursuing the same course, and entertaining the same opinions, and now they seemed to him to be very nearly opposites in opinion and action. Under these circumstances, he much preferred to leave to their common constituents the decision of the question, which had turned and which had kept ‘straightforward.’

“He thought he had kept straightforward; but he was aware

that a man lost, when intending to pursue a straight line, would almost invariably describe a circle. It was evident that either himself or his honorable colleague were now, and had been for some months past, lost, and that one of them had got just about half round the circle; and, so far as he was concerned, their constituents, and not themselves, should settle the question which was the lost politician.

“In justice to himself, however, he must claim that he had some marks, some guide-posts, to direct his way and determine his course. He came into this body the friend of the late administration, of its principles and of its measures. He was selected, by those who sent him here, because such were known to be his feelings and opinions. Finding no cause to change either, he had remained the friend and supporter of that administration during its continuance, and during the whole of the period he found the talented and distinguished body of opposition Senators upon his right uniformly opposed to him. A change of administration came, and he contributed his humble efforts to place at its head the present President. He had long known that individual, and they had long been personal and political friends. He, therefore, became a supporter of his administration, and still remained so. He was daily told by the opposition Senators that the present administration was but carrying out the principles and measures of the last, and elaborate speeches had been recently made, and were now daily making, to prove, not only to the Senate, but to the country, that this was the fact. Could he, then, be inconsistent in supporting this, as he had done the last, administration? But, again, he found the same distinguished Senators who had, during the whole eight years, led the opposition in the political warfare against the late administration, equally leaders in opposition to this. They occupy the same seats and use precisely the same weapons in the fight. Upon all questions, they met him, as formerly, in open and powerful opposition. If, then, he had been lost and traveling the circle, so, necessarily, must they have been upon the whirl, too, for the distance between them and himself remained precisely the same. They were exactly opposite at the start, and they were exactly opposite now; nor had there been



any armistice within which they could have met and crossed each other. And, again, he now found himself surrounded by, and acting with, *almost* all (he was sorry he could not say all) of those who had ever been political friends. . They too, therefore, had been lost if he had been, and yet continued to pursue the course with him, whether direct or circular. These considerations would certainly not only palliate his error, if he was in error, but would furnish him some apology for being somewhat confident that his was not the circular course.

“ A single word as to a remark of the honorable Senator from Massachusetts, and he had done. That Senator had said that, in 1834, he had no confidence in the system of State bank deposits, but that I had, and that time has shown that his opinions upon that subject were then right and that mine were wrong. I had then confidence in that system, and I expressed it freely, fully and honestly. The trial of the system was made, and in less than four years, and that too during a period of the most abundant plenty and prosperity, it failed. This experience destroyed my confidence, and convinced me that the system was bad both for the public and the banks. I cannot, by volition, restore that confidence. I cannot believe that to be good, and safe, and beneficial, which has been proved, before my own eyes, to be bad, and dangerous, and injurious. Has this experience changed the former opinions of the Senator? No. He tells us this day that he has no confidence in the State bank deposit system. Still, this is the system which my honorable colleague urges upon us, and desires us to force upon the country, against the recent and positive experience of every business man in it. I, for one, cannot bring myself to such a course of action.”

The remonstrance, after short remarks from Mr. Tallmadge, was laid on the table and ordered to be printed.

CHAPTER LXX.

ISSUING TREASURY NOTES.

An act was passed at the called session of 1837, authorizing the issue of ten millions of dollars in treasury notes. These being issued, and the treasury needing further funds, another bill was reported, authorizing the issue of others in place of those redeemed, not to exceed the amount of the former issue. This bill passed the House, on the sixteenth of May, by 106 to 99, and, on coming to the Senate, became the subject of discussion, on the 18th of May, 1838, in which Mr. WRIGHT, being in charge of the measure, took a leading part in its defense.

“Mr. WRIGHT observed that he should endeavor, so far as was in his power, to discharge what was his duty in regard to this bill, without protracting debate.

“Still, some portion of the remarks of the Senator from Massachusetts seemed entitled to some attention. One was his commendation of the sound and valuable principle of paying the public creditor in what was equivalent to specie; and he was gratified to find that the Senator would go with him in favor of the principle, that was not less valuable, that of preserving the faith of the government. The report of his, Mr. W., to which the Senator alluded, was an argument to show that it was highly improper for this government to make tender in payment of its debts of the paper of local corporations; and he confessed that to some extent that argument might be applied to paper issued upon the authority, faith and credit of the government itself. He was among that class who, if it were not necessary for the operations of the treasury itself, would not adopt even that expedient. So much for that. Then the gentleman would ask him, why did he urge this bill? He answered, because he believed

the necessity existed for it. We are told by the head of the Treasury department that even in means of this character the treasury is so limited that it is in danger from day to day of being compelled to turn its creditors from the door. The public funds of other descriptions are postponed, and placed beyond the reach of the treasury, by law, and the want of authority to reissue the treasury notes puts it out of the power of the Secretary to offer payment even in this description of funds.

“The gentleman had contended that there was no eminent necessity for passing this bill. Would the gentleman tell him why there was not? He says the Senate, so far as it is concerned, has given authority to sell the bonds of the Bank of the United States. He, Mr. W., remembered that the only voice raised against that measure was that of the Senator himself, on the ground that we could not sell these bonds upon the terms prescribed in this country, and that there was not time to send them abroad for sale. He, Mr. W., felt the force of that suggestion, and submitted to the Senator that it would be necessary for Congress to provide sufficient means for the wants of the government, by authorizing an issue of treasury notes, or by a loan, and added that, if the bonds did sell, it would supersede the issue of treasury notes to the amount they might sell for.

“We have been told that the bill before us is not broad enough to accomplish its object. He, Mr. W., did not apprehend any difficulty on that score. But he spoke with great distrust of his own judgment, as to construction of law, when the distinguished authority of the Senator was against him. He found, however, the bill to read :

“*Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That the Secretary of the Treasury, with the approbation of the President of the United States, is hereby authorized to cause treasury notes to be issued, according to the provisions contained in, and subject to all the conditions, limitations and restrictions of an act entitled “An act to authorize the issuing of treasury notes,” approved the twelfth day of October last, in place of such notes as have been or may be issued under the authority of the act aforesaid, and which have been or may hereafter be paid into the treasury and canceled.*’

“Now, as far as his comprehension extended, the clause just read brings the whole of the act of the extra session forward,

and makes it applicable to this bill. Would it be pretended that under this law a note could be issued bearing more than six per cent interest?

“Mr. Webster — No.

“Mr. WRIGHT — Would it be pretended that they could issue more than ten millions?

“Mr. Webster — Yes.

“[Mr. WRIGHT here read from the bill, to show that notes can only be issued in place of those that came in.]

“Again, the notes issued under the authority of this law are made receivable in payment of all dues to the government. Was there any doubt of this?

“Mr. Webster — No.

“Mr. WRIGHT — Then it appears that, with one exception, all the substantive provisions of the law of the extra session are made applicable to this, except the penal enactments. As a lawyer, he should as confidently say that these enactments were brought forward as the others. But this was not material. I find, said he, that, as far as the action of the Senate is concerned, the case is already provided for independently, by a bill just passed to punish the counterfeiting of these notes, and by a general law of Congress in relation to the punishment of crimes, passed in 1825, enumerating the counterfeiting of treasury notes as one of the crimes to be punished. That law was yet in force. Again, at the present session the Judiciary Committee have provided for a supposed *casus omissus* found in both laws, which was that there was no provision made to punish persons who should have in their possession counterfeit treasury notes with intent to pass them. The Senate had passed this bill and sent it to the other House, so that the criminal provisions, as far as this body is concerned, are complete, without reference to this bill or the law of October.

“But the Senator suggests that there are no statements, and that therefore we do not know that the treasury needs this supply. Could this be said after what had passed here within the last few days? And yet perhaps this body had been made to know less upon the subject than it ought, as most of the communications had been transmitted to the House. But his memory

told him that the wants of the treasury were so imperious as to require a special communication from the President of the United States; that that communication was made to both Houses, and was accompanied by one from the Secretary of the Treasury; that that message recommended this mode of providing for the exigency, and it seemed to him emphatically to be the correct one. Did any member of that body believe that the treasury was not in immediate want? His information, as late as yesterday morning, was that there were but \$50,000 of treasury notes authorized by the act of October that remained to be issued; and that there were but some \$200,000 in the treasury scattered over the whole country. Could there be any doubt, then, as to the immediate and pressing necessity for passing this bill? Why, asked Mr. W., are we brought to this state of things? The Senator told us that, after passing the law of October, it was understood that one of this character would not be called for again. But the Senator did not recollect the change that was given to that act in the House of Representatives. It passed this House without any provision as to a reissue of the notes, but it came back from the House with an interdiction on such reissue; and he, Mr. W., remembered well, in moving for a concurrence with this amendment, that he said that the bill thus amended would answer till the next session of Congress, when further provision could be made if necessary. By making these notes receivable for the dues of the government nearly six of the ten millions had been redeemed, and all our revenue coming in comes in that paper. The revenue is as large as was anticipated, but there was no money coming in; and, though they had issued \$10,000,000 of paper within \$50,000, they were now but \$4,000,000 in debt, the balance of the notes having been already redeemed and canceled. It was not by this bill that they were incurring one dollar more of debt than was authorized by the act of October last. This bill did not authorize the reissue of a single note which has not been canceled under that act. He would make a single remark more, which he hoped would be the last. We have been told of the depreciated character of this paper. He believed that some of the prices current had put it below bank paper, though that was at one single point of the Union only, New York; but it

was now quoted there and at Philadelphia three or four per cent higher than that paper (United States Bank notes) which is held in such high estimation by the gentleman and his friends. His information told him that treasury notes were higher at the South than any bank paper. In Philadelphia it was also higher, though in New York it might be quoted a trifle lower. That, however, was not the point. The question was, what were they to do? We cannot, by our fiat here, place money in the treasury at a moment's warning. Then, can we do anything better than to give to the creditors of the government the best paper in our power—that issued upon the faith and credit of the government itself? The limitation proposed by the Senator's amendment would not answer. Who could tell how soon it would come back again; and how long would \$2,000,000 last, when in the single port of New York it comes in at the rate of \$300,000 per week? How long would it be before the Secretary of the Treasury would be compelled to come before Congress with another statement showing a deficiency of means? What danger could there be in issuing this amount? Would it run the government in debt a dollar beyond the amount authorized by the act of October last? Not one dollar."

Mr. WRIGHT subsequently made the following remarks:

"Mr. WRIGHT observed that, holding as he did the particular position in reference to this bill, he was yet bound, out of respect to the body, and his anxiety for a speedy decision, to deny himself the privilege of replying to the many misrepresentations of the gentlemen on the other side. He had yet hopes that the question would be taken this evening, and in that hope he would refrain from consuming the time of the Senate by answering either of the gentlemen who had spoken against the bill. It was not necessary to take up the time of the Senate by answering all the misrepresentations which had been made. Some of them were well understood, and would be easily corrected. For instance, we have been told, said he, that ten millions of debt were contracted by the bill of the extra session, and that ten millions more were asked for now. Now, every gentleman knew that ten millions could not be exceeded, and that not one dollar

of treasury notes could be issued, under this bill, except to supply the place of a note that had been redeemed and canceled. With reference to the amendment proposing to reduce the issue of treasury notes to two millions, he would observe that there were the expenditures under the general appropriation and navy bills to be provided for; and, in addition to that, a bill to meet the expense of the Florida war must soon be expected here,—and from information they had, at least two millions had been expended on that object alone, and that drafts to a large amount for that service were waiting here for the necessary appropriation to pay them. Could it, then, be expected that two millions would be enough?"

At the close of the debate the bill was passed by ayes 27 to nays 13, and became a law on the 21st of May, 1838.

CHAPTER LXXI.

RESTRAINING THE BANKS IN THE DISTRICT OF COLUMBIA
FROM ISSUING SMALL BILLS.

It was a subject that Mr. WRIGHT had deeply at heart, to prevent the issue of small bills. Most of his political activity participated in that feeling. Congress having full power over this subject in the District of Columbia, a bill restraining the issue of such bills was reported, and was fully discussed on both sides. It was ordered to be brought over for a third reading by a vote of 27 to 14. Mr. WRIGHT participated in this debate, and said :

Mr. WRIGHT rose and inquired of the Vice-President if the amendment offered by the Senator from Illinois [Mr. Young] had been adopted. [The answer was, that it had been adopted by the unanimous consent of the Senate.] He then said he had decided not to be compelled again to trouble the Senate with any remarks upon this bill; but the charges against the committee which had reported it to the Senate were such and so various that it seemed to be his duty again to notice them. On the last day of the session of the Senate they had proceeded from various quarters, and then partially from the Senator from Kentucky [Mr. Clay]. He was himself a member of that committee (the Committee on Finance), and had been honored by the Senate by a conspicuous place upon it. He had, upon that day, repelled some of those charges; but they now came, with additions and aggravations, from the honorable Senator [Mr. Clay], and he must, therefore, again repel them.

He would do this by recounting, as briefly as possible, the charges which had been made, and the facts and history of the bill and its progress. The Senate, upon an early day of the present session, he thought the eleventh December, by an express resolution, instructed the Committee on Finance to consider the

subject of the currency in this District, and to report such bills as, in their judgment, should be required for the improvement thereof. The resolution reached the committee on the day after its passage. There were then but three members of the committee in town, the member from Missouri [Mr. Benton], from New Hampshire [Mr. Hubbard] and himself. The members from Massachusetts [Mr. Webster] and from Louisiana [Mr. Nicholas] had not then reached the city. In the judgment of the members of the committee present, the suppression of the small, individual and worthless notes which were circulating as money in the District, and especially in this city, was one indispensable prerequisite to the improvement of the currency. In this they supposed they were supported by the already expressed judgment of the Senate, as a bill to accomplish this object had passed, at the session of the Senate of September and October last, without a dissenting vote. The three members of the committee, therefore, acted upon the order of the Senate, and promptly reported that bill, in the words, letters and figures in which it had passed the Senate at its last session.

“They were not a little surprised, upon the very appearance of the bill in the chamber, to find themselves sharply reprovèd by the honorable Senator [Mr. Clay], and the propriety strongly questioned of so few members of a committee of the body, in the absence of their colleagues, assuming to report bills of so high importance; bills touching the great and interesting subject of the currency of the country. An explanation was then made, and the Senator requested to raise the question he had suggested, that the sense of the Senate might be taken upon it. This was not done, and the matter rested until the bill came up for consideration in the Committee of the Whole of the body, on Friday last.

“Then new charges were preferred against the committee. They had gone out of their way to introduce this bill. They had encroached upon the province of another important committee of the body, that on the District of Columbia. These charges were met; the order of the Senate instructing the Committee on Finance to take up the subject was produced, and the fact that the bill was an exact copy of one which had passed the Senate at its last session, in October, was again stated.

The Senator from Kentucky [Mr. Clay], however, then over-
ped these trifling charges, and announced to the Senate and
audience that the bill was a 'picayune' bill, a trifling affair,
that the committee ought to be ashamed to have introduced
a measure before the Senate. Mr. W. said he felt mortified
humiliated at a declaration of this strong character coming
from so distinguished a source; from a Senator whose legislative
experience was superior to that of almost any individual in the
country; whose standing has long been such as to give weight
to his declarations here or elsewhere, and whose sense of justice
led him to moderate those declarations upon all occasions, and
especially when made upon this floor. He could not fail
to see the wide discrepancy in the complaints against the com-
mittee, coming from the same source, upon the two occasions.
In the first instance, it was an important bill, touching the great
delicate question of the currency of the country, and ought
to have been reported without a full committee; and in the
second, it was a sixpenny business, of which a committee of the
Senate ought to be ashamed. Yet, so direct were the censures,
and such the weight of their authority, that silence was imposed
on him and his colleagues, and he felt bound to wait until the
opinion of the Senate should be expressed upon the measure, before
he entirely surrendered himself to self-condemnation. At the
same time it was his duty to confess that, censured as the com-
mittee were, and from such authority, and trifling and sixpenny
character as the measure was pronounced in so high a quarter,
he found some consolation to his feelings to see the interest and the
attention it elicited from the opposition; to see that, humble and
unimportant as was the bill, it opened the strongest batteries from the
opposing benches, and drew forth their hottest and heaviest fire.
The decisive vote at length came, and what were the feelings
of relief on the part of those humble members of the Committee
of Finance, who had thus ventured to give back to the Senate a
measure of its own, when they found not one solitary vote against
it? Would it be doubted that their apprehension of shame was
at an end, and they were compelled to conclude that, all the high
complaints notwithstanding, they had presented to the body a
valuable and acceptable bill?

“Here he supposed all debate as to this much-abused measure would have terminated; but the experience of the morning had shown his mistake. The honorable Senator [Mr. Clay] had again come to the assault, not upon the bill, but upon the committee, and had accused them of a culpable neglect of the more important business before them, that they might hasten on measures of oppression upon this poor and helpless District. He had demanded why the important bills of the session were not brought forward, instead of this trifling measure.

“The honorable Senator had, in this instance also, run himself into an inconsistency of complaint which demanded correction. His first charge was that the committee were arrogating powers unsafe to legislation, by reporting important bills while their number was not full. In addition to the public explanation made in answer to that charge, a private one was made to the Senator himself, and he was assured that the great public measures of the session would not be pressed upon the attention of the committee until its members should have arrived in town and have an opportunity to attend its meetings. He called upon the Senator to do him the justice to recollect that this assurance was given to him in person and in his seat in the Senate.

“What, then, was the condition of the committee in this respect at this moment? The member from Louisiana had arrived since the last regular meeting of the committee, but the member from Massachusetts—the great leader of that party whose interests the honorable Senator [Mr. Clay] upon all occasions so ably and eloquently espoused—had not yet reached the city. Were the members of the committee, then, who were present, and especially those who had been present from the hour of the appointment of the committee, to expect this censure for not having proceeded further in the absence of this distinguished colleague? Were they to have entertained this expectation, after the complaints which had been heaped upon them for having simply reported a ‘picayune’ bill during the absence of that member of the committee? Was he to have expected complaints of this character from the very individual to whom he had given assurances that the important measures of the session should not be hastened in the committee until the arrival of its absent mem-

bers? All these were questions which necessarily suggested themselves in consequence of the course which the honorable Senator had felt it to be his duty to pursue upon the passage of the bill under discussion. They were propounded to himself, to the Senate and to the country; and he, as a member of that committee against which this singular course of complaint had been pursued, was willing to leave the answers to that sense of justice which governs the decisions of every upright man. He would ask, however, and he would even make the appeal to the Senator himself, whether it was just, whether it was fair, to put the committee in the hopeless dilemma in which his complaints had placed them? If they did act, to complain of them for transacting important business in the absence of some of their number; if they did not act, to complain of them for neglecting the important business of the session? To characterize the same bill, at one moment as an important measure touching the currency of the country, and the next moment as a sixpenny affair, 'a picayune bill,' of which the committee should be ashamed? In short, whether the committee advanced, stood still or receded, to make their course equally the subject of such high censures? [Mr. Clay, in reply, intimated that Mr. WRIGHT had rested for days upon remarks from him which he had chosen to consider personal, although they were not so intended, and had now come forward to reply to them. He also urged objections to the bill and to the course of the committee in reporting it; because, he said, it was evident that, while the terms of the bill limited its action to the District of Columbia, it was intended that it should have a much broader influence, and should discourage the circulation of the description of currency upon which it acted in the surrounding country.] Mr. WRIGHT rejoined. He said the Senator had entirely misconceived him if he had supposed he viewed any of his remarks of Friday as personal to himself, or intended at this time to reply to them as such. He had made the reference to those remarks now simply as a part of the history of the measure before the Senate and of its treatment by the honorable Senator. In that sense, and in that sense alone, had he referred to those remarks.

"The Senator now proceeds with a new objection to the bill,

and a new complaint against the committee. It is that the bill is intended to exert an influence and power not apparent upon its face; that while it purports to act upon the circulation of small notes in this District only, the intention is palpable that it should act upon and discourage the circulation of that same description of notes in the adjacent States. To these complaints he had merely to say that the provisions of the bill were plain and simple; that they were limited, in explicit terms, to this District, and that, if it became a law, its whole legal and binding force would be in this District, and nowhere else. If, then, there existed any intention on the part of the committee, or any members of it, that it should have the broad operation ascribed by the Senator, that intention can only be made effective through the example of the legislation and the moral influence of the measure. So far as influences of this sort were to be exerted by the passage of the bill, however objectionable they might be to the honorable Senator, they were in no sense objectionable to himself. He would rejoice if the example of the legislation should be followed by every State Legislature in the whole Union. He should increase vastly his estimate of the importance of the measure and of its public utility, if he could persuade himself that its moral influence would banish from circulation, throughout the United States, every note such as it proposed to suppress in the District of Columbia."

CHAPTER LXXII.

REPORT ON THE CURRENCY OF THE GOVERNMENT.

The currency to be used by the government, after the banks refused to redeem their notes in specie, in 1837, became the all-absorbing subject among the people and in Congress. On the 2d of May, 1838, Mr. Clay, of Kentucky, moved a joint resolution on the subject of the receipts and disbursements of the treasury, which, on motion of Mr. WRIGHT, was referred, after a stirring debate, to the Committee on Finance by a vote of 28 to 19. On the sixteenth of May, Mr. WRIGHT made the following report :

“The Committee on Finance, to which was committed, on the second instant, the joint resolution ‘relating to the public revenue and dues to the government,’ in the following words:

“‘*Resolved, by the Senate and House of Representatives of the United States of America, in Congress assembled, That no discrimination shall be made as to the currency or medium of payment in the several branches of the public revenue, or in debts or dues to the government; and that, until otherwise ordered by Congress, the notes of sound banks, which are payable and paid on demand in the legal currency of the United States, under suitable restrictions, to be forthwith prescribed and promulgated by the Secretary of the Treasury, shall be received in payment of the revenue and of debts and dues to the government, and shall be subsequently disbursed, in a course of public expenditure, to all public creditors who are willing to receive them,*’

respectfully submit the following report :

“The resolution had three distinct objects : first, to prohibit any discrimination in ‘the currency or medium of payment’ in which all public dues shall be collected and received; second, to establish, by the force of law, that ‘currency or medium of payment’ to be ‘the notes of sound banks, which are payable and paid on demand in the legal currency of the United States;’ third, to

compel the disbursement of those bank-notes 'to all public creditors who are willing to receive them.' The various parts of it, therefore, relating to these several objects, will be considered in the order they hold in the resolution.

"The first clause, prohibiting discrimination in the currency or medium of payment for the public dues, in these words:

" 'That no discrimination shall be made as to the currency or medium of payment in the several branches of the public revenue, or in debts or dues to the government.'

"In so far as any public interest may be supposed to be involved in the action of the Senate upon this branch of the resolution, it would seem to the committee to be sufficient to say that this body has already adopted, and sent to the House of Representatives, as a part of a law, a provision supposed to have the same general object, though not in the form here presented. The journal of the Senate shows that, on the twenty-fourth day of March last, a bill entitled 'An act to impose additional duties, as depositaries, upon certain public officers, to appoint receivers-general of public money, and to regulate the safe-keeping, transfer and disbursement of the public moneys of the United States,' being under consideration, an amendment, to stand as the twenty-third section of that bill, was offered in the words following, viz. :

" 'SEC. 23. *And be it further enacted*, That it shall not be lawful for the Secretary of the Treasury to make, or to continue in force, any general order which shall create any difference between the different branches of revenue, as to the funds or medium of payment, in which debts or dues accruing to the United States may be paid.'

"The same journal shows that this amendment, as here given, was, on the same day, adopted by the Senate, by a very strong vote, was thus made a part of the bill to which it was proposed as an amendment, and that the bill, including this amendment as its twenty-third section, finally passed the Senate on the twenty-sixth day of March last, and was sent to the House of Representatives, with a request that that House would concur therein.

"That these provisions are similar in the influence proposed to be exerted upon the currency of the public treasury, in the object proposed to be accomplished, will not be questioned; and that a large majority of the Senate are favorable to the principle

embraced in both is proved by the references to the Senate journal which have just been made. With this evidence before them, the committee would not consider it proper in them, were they otherwise disposed to do so, to offer arguments against this strongly expressed opinion of the body ; but, when the principle has been adopted, when it has been put in form, and made a part of a law, and when the Senate has, in this manner, done all it can do, without the action of the other legislative branches of the government, to make it a part of the law of the land, they would not feel excusable in omitting to bring this fact to its notice, nor can they believe that doing so will be construed into a disposition to resist its ascertained sense and feeling.

“The necessity for this legislation has been referred, in the debates in the Senate, and elsewhere, to the existence of the treasury order of the 11th of July, 1836, making a discrimination between the currency or medium of payment to be received for the public lands and that to be received in other branches of the public revenue, and for other dues to the government. This order is believed by the committee to have been the first and only discrimination, by the order of the Treasury department, made either permanent or general, as to the currency or medium of payment receivable between the different branches of the public revenue; and hence, no doubt, the order has engrossed attention, and its repeal has been considered the sole object and purpose of the provision under consideration.

“As, however, the reference calls upon the committee for a careful examination of the laws in any way affecting the currency of the public treasury, and any medium of payment, made receivable by law, in any branch of the public revenue, and as the legislation in relation to the public lands is found to contain various and important provisions relative to the media of payment in this branch of the revenue, they have considered it proper to review those laws under this head, and see how far any of their provisions may be material to this part of the inquiry.

“The first general law to regulate the sale of the public lands, which has met the notice of the committee, is an act passed on the 18th day of May, 1796, entitled ‘An act providing for the sale of the lands of the United States in the territory north-west

of the River Ohio, and above the mouth of the Kentucky river.' This act fixed the price of the public lands at two dollars per acre, but did not specify the currency or medium of payment in which purchases were to be made. The law of 1789, therefore, which required all payments derivable from the customs to be made in gold and silver coin, and the tenth section of the charter of the old Bank of the United States, passed in 1791, which declared that the bills or notes of the corporation, payable on demand in gold and silver coin, should be receivable in all payments to the United States, must, as the committee suppose, have been held to prescribe the currency or medium of payment for the public domain, as well as other public dues.

"On the 3d March, 1797, another act was passed, entitled 'An act to authorize the receipt of evidences of the public debt in payment for the lands of the United States.' This act provided 'that the evidences of the public debt of the United States should be receivable in payment for any of the lands which might be sold in conformity to the act entitled "An act providing for the sale of the lands of the United States in the territory north-west of the Ohio river, and above the mouth of the Kentucky river,"' being the act of 1796, last above referred to. Here, then, evidences of the public debt were added to gold and silver coin, and the bills and notes of the Bank of the United States, payable on demand in gold and silver coin, as the currency or media in which payment might be made for the public lands.

"The next act which seems to be material to this point, was passed on the 10th day of May, 1800, and was entitled 'An act to amend the act entitled "An act providing for the sale of the lands of the United States in the territory north-west of the Ohio, and above the mouth of Kentucky river."' This act provided for the establishment of land offices within the land districts; for the appointment of registers of the land offices and of receivers of public money for lands; for the sale of the lands within the land districts, both at public and private sale, and in sections and half sections; and in many other respects established what is the present land system of the United States. The first clause of the fifth section of this act is in the following words :

“ ‘SEC. 5. *And be it further enacted*, That no lands shall be sold by virtue of this act, at either public or private sale, for less than two dollars per acre, and payment may be made for the same, by all purchasers, either in specie, or in evidences of the public debt of the United States, at the rates prescribed by the act entitled “An act to authorize the receipt of evidences of the public debt in payment for the lands of the United States.” ’ ”

“Here is a new enumeration of the currency or medium in which payments were to be made for the public lands, and which does not include the bills or notes of banks of any description. It is confined to ‘*specie*’ or ‘*evidences of the public debt of the United States.*’ If, therefore, any other medium of payment was received while this continued to be the law of the case, it must have been so received, as the committee suppose, upon the responsibility, and at the risk, of the officer receiving the payment, and not because it was sanctioned by the law.

“On the 18th of April, 1806, an act was passed entitled ‘An act to repeal so much of any act or acts as authorize the receipt of evidences of the public debt in payment for lands of the United States, and for other purposes relative to the public debt.’ The first clause of the first section of this act is in the words following:

“ ‘SEC. 1. *Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled*, That so much of any act or acts as authorize the receipt of evidences of the public debt, in payment for the lands of the United States, shall, from and after the thirtieth day of April, one thousand eight hundred and six, be repealed.’ ”

“This section proceeds with two provisos, saving the rights of persons who had purchased lands, with the right to make the payments therefor in evidences of the public debt, prior to the passage of the act, and holding out inducements to those indebted for lands to make the payments in advance, and in money, but in no way affecting the repeal above quoted. After the 30th day of April, 1806, therefore, with the exception as to purchases which had been previously made, evidences of the public debt of the United States were not a medium in which payments for public lands could be made, but the law of 1800, above referred to, with this modification, continued to be the law regulating these payments. If, then, the committee have been correct in their construction of that law, and its influence upon the cur-

rency or medium of payment for the public lands, this modification reduced that currency or medium to 'specie' only.

"No further change is found to have been made in the laws, in this respect, until the year 1812. On the thirtieth day of June, of that year, a law was passed, entitled 'An act to authorize the issuing of treasury notes.' The first clause of the sixth section of that act is in the following words :

" 'SEC. 6. *And be it further enacted*, That the said treasury notes, wherever made payable, shall be everywhere received in payment of all duties and taxes laid by the authority of the United States, and of all public lands sold by the said authority.'

"This law added a new medium of payment for the public lands, to wit, treasury notes, issued by the government itself, and for the payment of which, with the interest thereupon, its faith was solemnly pledged. From this time, therefore, the public lands might be paid for in either '*specie*' or '*treasury notes*,' and it was at the option of the purchaser, by the law, to make his payments in the one or the other medium, as his interest, or convenience, or pleasure, should dictate.

"On the 25th day of February, 1813, another law was passed 'to authorize the issuing of treasury notes for the service of the year one thousand eight hundred and thirteen,' and, on the 4th day of March, 1814, another similar law was passed 'to authorize the issuing of treasury notes for the service of the year one thousand eight hundred and fourteen,' both of which last mentioned laws contained a provision precisely similar, in substance and in terms, to that above quoted from the law of 1812.

"On the 31st day of March, 1814, an act was passed, entitled 'An act providing for the indemnification of certain claimants of public lands in the Mississippi territory.' By this act the President of the United States was directed to cause to be issued, from the treasury, certificates of stock to certain claimants to lands under 'the Upper Mississippi Company,' under 'the Tennessee Company,' under 'the Georgia Mississippi Company,' under 'the Georgia Company,' and under 'Citizens' right,' so called, for amounts and upon conditions prescribed in the act; and the fourth section of the act is in the following words:

" 'SEC. 4. *And be it further enacted*, That the said certificates of stock

shall be receivable in payment of the public lands, to be sold after the date of such certificates, in the Mississippi territory: *Provided*, That on every hundred dollars to be paid for such lands, ninety-five dollars shall be receivable in such certificates, and five dollars in cash: *Provided*, That no person or persons, making payment for lands in certificates authorized to be issued by this act, shall be entitled to the discount for prompt payment now allowed by law to purchasers of public lands.'

"Here was a new medium of payment for public lands in the Mississippi territory, which authorized purchasers of lands from the United States, there subject to the limitations of the act, to make payment either in 'specie' or in 'treasury notes,' or in these 'certificates of stock,' subsequently more familiarly known as 'Mississippi land scrip.' In relation to all the public lands other than those in the Mississippi territory, as it then existed, the currency or medium in which payments were to be made was left unchanged, and continued to be regulated by the laws before referred to, and to be 'specie' or 'treasury notes.'

"By an act, passed on the 26th day of December, 1814, entitled 'An act supplemental to the acts authorizing a loan for the several sums of twenty-five millions of dollars and three millions of dollars,' a further emission of treasury notes was authorized to the amount of ten and a half millions of dollars, and the following is a copy of the first clause of the third section of the act:

" 'SEC. 3. *And be it further enacted*, That the treasury notes to be issued by virtue of this act shall be prepared, signed and issued in the like form and manner; shall be reimbursable at the same places and in the like periods; shall bear the same rate of interest; shall, in the like manner, be transferable; and shall be equally receivable, in payments to the United States, for taxes, duties, and sales of the public lands, as the treasury notes issued by virtue of the act of Congress, entitled "An act to authorize the issuing of treasury notes for the service of the year one thousand eight hundred and fourteen," passed on the fourth day of March, in the year aforesaid.'

"On the 24th day of February, 1815, a further act was passed entitled 'An act to authorize the issuing of treasury notes for the service of the year one thousand eight hundred and fifteen,' the first clause of the sixth section of which is in the words following :

" 'SEC. 6. *And be it further enacted*, That the treasury notes, authorized to be issued by this act, shall be everywhere receivable in all payments to the United States.'

“Neither of the two last mentioned acts made any change in the character of the currency or medium of payment, authorized by law to be received for the public lands, at the time of their passage, but merely added to the quantity of that medium which rested upon the faith and credit of the government. Still, therefore, ‘specie’ and ‘treasury notes’ were receivable for all lands, wherever situated, and ‘specie,’ ‘treasury notes’ and ‘Mississippi land scrip’ for that portion of the public lands situate within the Mississippi territory.

“This brings the examination, in point of time, up to the charter of the second Bank of the United States, in 1816; and it may be proper here to remark that, in case the committee have been mistaken as to the force, effect and true construction of the act of the 10th of May, 1800, and that act did not exclude the bills and notes of the old Bank of the United States from being a legal medium for the payment for lands, still, inasmuch as the charter of that bank expired on the 3d day of March, 1811, by its own limitation, and as the tenth section of the charter, which made its bills and notes receivable for any description of public dues, was repealed on the 19th day of March, 1812, by an act of Congress passed for that sole purpose, it will be seen that this difference of construction of the act of 1800, if admitted, will only affect the currency or medium, in which the public lands might be paid for, up to the 3d of March, 1811, or, at most, up to the 19th of March, 1812, when that bank had ceased to exist as a bank, and its bills and notes to be receivable by law for any portion of the public dues. At the period of time of which the committee now speak, therefore, the currency or media, made receivable by law in payment for the public lands, was as last above enumerated.

“The act to charter the late Bank of the United States was passed on the 10th day of April, 1816, and the fourteenth section of that charter made the bills and notes of the bank, payable on demand, receivable in all payments to the United States, ‘*unless otherwise directed by act of Congress.*’ This added to the currency receivable by law in payment for the public lands a new medium, to wit, the bills or notes, payable on demand, of the late Bank of the United States.

“The joint resolution of 1816 followed but twenty days behind the bank charter, it having been passed, and met the approval of the President on the 30th day of April, 1816. That resolution required and directed the Secretary of the Treasury to adopt such measures as he should deem necessary to cause, as soon as might be, all duties, taxes, debts or sums of money, becoming due to the United States, to be collected and paid ‘in the legal currency of the United States, or treasury notes, or notes of the Bank of the United States, *as by law provided and declared*, or notes of banks which are payable and paid on demand in the said legal currency of the United States.’ The resolution went on to declare that, after the 20th day of February, 1817, no duties, taxes, debts or sums of money, payable to the United States, *ought* to be collected or received otherwise than in the currency or media of payment before enumerated. Here was unquestionably given a permission to receive in payment of any portion of the public dues, and consequently in payment for the public lands, as well as other dues, the notes of specie-paying state banks, and it is the first *permission* of that character which has met the notice of the committee in any of the acts of Congress. They are aware that some consider this resolution as mandatory, rendering the reception of these notes obligatory upon the head of the Treasury department, but they do not so consider it. It is not their purpose, however, to discuss this question here, as that discussion pertains, more appropriately, to the second branch of the resolution referred to them. Under either construction, the resolution of 1816 made it lawful to receive a new medium of payment for the public lands in ‘the notes of banks payable and paid on demand in the legal currency of the United States.’


“From this time, therefore, the officers of the government were compelled to receive, in payment for all public lands, ‘specie,’ treasury notes, ‘the bills or notes of the Bank of the United States, payable on demand;’ and were also permitted to receive the notes of other banks ‘which were payable and paid on demand in the legal currency of the United States;’ and, in addition to these media of payments, they were compelled to receive ‘Mississippi land scrip’ for lands sold in the Mississippi territory.

“ Thus remained the law upon this subject until the passage of the act of the 24th of April, 1820, entitled ‘An act making further provision for the sale of the public lands.’ This law abolished credits upon sales of public lands, from and after the 1st day of July, 1820, and declared that *‘every purchaser of land sold at public sale thereafter shall, on the day of purchase, make complete payment therefor; and the purchaser at private sale shall produce to the register of the land office a receipt from the Treasurer of the United States, or from the receiver of public moneys of the district, for the amount of the purchase-money on any tract, before he shall enter the same at the land office.’* ”

“ The fourth section of the act makes provision for the sale of such lands as had been sold under former laws, and had reverted, or should thereafter revert, to the United States in consequence of the non-payment of the purchase-money, and also of lots and tracts theretofore reserved from sale, and contains a proviso in the following words :

“ ‘ *Provided*, That no such lands shall be sold, at any public sales hereby authorized, for a less price than one dollar and twenty-five cents an acre, nor on any other terms than that of cash payment; and all the lands offered at such public sales, and which shall remain unsold at the close thereof, shall be subject to entry at private sale, in the same manner and at the same price with the other lands sold at private sale at the respective land offices.’ ”

“ Although the terms of this law, and especially those employed in the proviso above quoted, *‘nor on any other terms than that of cash payment,’* would seem to favor the idea that it was the intention of Congress, from and after the day fixed in the law, to part with the public domain for ‘cash,’ for *money* only, in the strict and proper sense of the word; and although the policy of the law, in the abolition of all credits and the great reduction of the price of the lands, from two dollars to one dollar and twenty-five cents per acre, would seem to have the same bearing; and although the committee infer, from the lapse of time and the returns of sales, that the treasury notes and Mississippi land scrip had ceased, in a great degree, if not altogether, to be presented in payment for lands; yet, as they learn that no change as to the currency or medium of payment was introduced into practice in consequence of the passage of this act, they are con-



tent to assume, for the purpose of the argument, that no change in this respect was intended by it, while it certainly will not be contended that it is susceptible of any construction which can add to the media of payment authorized by former acts of Congress, or make the receipt of any such medium compulsory, which before its passage was merely permissive.

“The committee find no other law affecting the currency or medium of payment, to be received for the public lands, until the passage of the act of the 30th day of May, 1830, entitled ‘An act for the relief of certain officers and soldiers of the Virginia line and navy, and of the continental army during the Revolutionary war.’ The first section of this act makes it the duty of the Secretary of the Treasury and Commissioner of the General Land Office to issue certificates or scrip to certain officers, soldiers, sailors and marines, who were in the service of Virginia, on her State establishment, during the Revolutionary war, and who, by the laws and resolutions of the State, were entitled to military land bounties, upon the terms and conditions pointed out in the act. The first clause of the fourth section of the act is in the following words:

“ ‘SEC. 4. *And be it further enacted*, That the certificates or scrip, to be issued by virtue of this act, shall be receivable in payment for any lands hereafter to be purchased at private sale, after the same shall have been offered at public sale, and shall remain unsold at any of the land offices of the United States, established or to be established in the States of Ohio, Indiana and Illinois.’

“The sixth section of this act is in the words following:

“ ‘SEC. 6. *And be it further enacted*, That the provisions of the first and fourth sections of this act shall extend to and embrace owners of military land warrants issued by the United States in satisfaction of claims for bounty land for services during the Revolutionary war; and that the laws heretofore enacted, providing for the issuing said warrants, are hereby revived and continued in force for two years.’

“The first clause of the seventh section is as follows:

“ ‘SEC. 7. *And be it further enacted*, That the provisions of this act shall also be deemed and taken to extend to all the unsatisfied warrants of the Virginia army on continental establishment.’

“These provisions added another medium of payment for the

public lands in what has been commonly denominated 'the Virginia land scrip,' subject to the limitations expressed.

"On the 3d day of March, 1836, the charter of the last Bank of the United States expired by its own limitation, and the institution, for banking purposes, ceased to exist on that day; and, by a law of Congress passed on the 15th day of June, 1836, the fourteenth section of the charter, making its bills and notes receivable in payment of the public dues, was repealed.

"This is believed to have been the exact state of the law in reference to the currency or media of payment receivable for the public lands at the time when the treasury circular of the 11th of July, 1836, was issued.

"Prior to this date, the committee suppose the law of the 31st of March, 1814, making the Mississippi land scrip receivable in payment for public lands in the Mississippi territory, had become obsolete by the entire receipt and canceling of the stock issued; and it is a matter of public notoriety that the treasury notes authorized to be issued by the several laws before referred to, of 1812, 1813, 1814 and 1815, had been, long before, so far wholly redeemed and canceled as to render those laws, for every purpose of this inquiry, also obsolete. The currency or media of payment receivable for the public lands, therefore, at the date of this order, had become reduced by the repeal of laws, the expiration of laws and the extinguishment of public liabilities, to 'specie' and 'Virginia land scrip,' the receipt of which was compulsory, and 'notes of banks which were payable, and paid on demand, in the legal currency of the United States,' the receipt of which was merely permissive. The circular acted upon the bank-notes merely, and was in effect a direction to the receivers of public moneys for lands not to use the permission granted by the joint resolution of 1816, as to bank-notes, so far as the payments for lands were concerned. This suspended the receipt of the notes in this branch of the revenue and left the payments for lands to be made in specie and Virginia land scrip.

"The reasons which prevailed upon the mind of the then President of the United States to direct the circular to be issued are given in the paper itself. It recites, in substance, that complaints had been made of extensive frauds practiced in the sales

of the public lands; of vast speculations in those lands under the system of sale and payment then in use; of alarming attempts to monopolize large tracts of the lands in the hands of individual and associated proprietors; of the aid given to effect all these objects by excessive bank credits, by dangerous if not partial facilities through bank drafts and bank deposits; of the general evil influence likely to result to the public interest by these proceedings; of the danger to the public treasury from this rapid accumulation of bank credits, in lieu of money, in its favor, as well as the danger to the currency of the country generally from the unprecedented expansion of credits and the further exchange of the public domain for credits in bank or bank paper. Then follows the mandatory part of the circular, in these words:

“‘The President of the United States has given directions, and you are hereby instructed, after the fifteenth day of August next, to receive in payment of the public lands nothing except what is directed by the existing laws, viz., gold and silver, and, in the proper cases, Virginia land scrip; *Provided*, That, till the fifteenth of December next, the same indulgences heretofore extended as to the kind of money received may be continued, for any quantity of land not exceeding 320 acres, to each purchaser who is an actual settler or a *bona fide* resident in the State where the sales are made.’

“That the complaints recited in the circular were made, the committee certainly need not labor to prove to any who were members of either House of Congress from 1834 to 1836, inclusive; to any who listened to the debates and proceedings of either House during that period; to any who read the published proceedings of Congress, or listened to the voice of a large portion of the public press of the country, for the time alluded to. No one of these classes of persons can have forgotten the numerous and constantly repeated charges of favoritism, partiality, collusion and fraud said to be practiced by the officers charged with the sale of the public lands, and with the collection of the revenue therefrom. No one of these classes of persons can have forgotten the charges of sinister accommodations, of favoritism, of partiality and of corruption, made against the State banks generally, and especially against those which had been selected as deposit banks and had accepted the trust. Every forum was filled with these charges and complaints, and every vehicle which trans-

ported the public mail groaned under their weight, as they were diffused throughout the land.

“That speculations were going on in the public lands, immense in extent and in the capital and credit involved, became more fully demonstrable by every return from the receivers at the land offices. The proceeds of the sales arose, in consecutive years, from four millions of dollars — which was more than the previous average amount per annum — to fourteen millions, and from fourteen millions to twenty-four millions in a single year. That monopolies in the hands of private holders, highly injurious to the settlement and prosperity of the new States, must grow out of sales thus accelerated, was a necessary and unavoidable consequence. The number of acres sold in a year proved conclusively that vast quantities were purchased for a market, and for speculation — not for settlement and cultivation ; while the passion to purchase seemed to increase with the increase of sales, until there was reason to apprehend that the means of payment were traveling in a circle from the banks to the land offices, and from the land offices to the banks, without adding other or further security for the lands sold than the increased indebtedness of the banks to the treasury, and the increased indebtedness of the purchasers to the banks.

“While these appearances and causes of uneasiness were exhibiting themselves to those charged with the management of this branch of the public service, forebodings of evil were not spared by those whose confidence in these public servants was not without limit. They were warned against a sacrifice of our rich public domain; against a monopoly of that vast estate by those said to be favored by their position, favored by power and favored by the banks; against an exchange of that splendid inheritance, the price of the blood of the patriots of the Revolution, for bank credits, bank paper, ‘*bank rags*.’ They were charged to look to the public treasury, and see that its numerous and rapidly increasing millions upon paper were realized to the people in a sound, and not a depreciated, currency. They were told of the dangers and evils of these sudden and vast accumulations in the banks; and speedy and fatal derangements of the currency generally were predicted, with a confidence which could

not have been exceeded in prophets possessing plenary powers to bring about the fulfillment of their own predictions.

“Such, briefly, was the history of the times up to and through the session of Congress of 1835–36; and much of the time of that session was consumed, in both Houses, in considering propositions in relation to the revenue, the deposit and safe-keeping of the public moneys, the diminution of the surplus of revenue so rapidly collecting in the banks, and other kindred measures; but the session of Congress closed and nothing was done. Still, the evil complained of and apprehended was extending itself, and accumulating strength from its own advances.

“Under these circumstances the circular was issued; and as the seat of the disease was assumed by all to rest in the dangerous expansions by the banks, and the incautious facility with which they extended accommodations to the purchasers of the public domain, the check was made to operate upon their issues of paper, and to bring to the test of real capital this branch of the public revenues. It should not be overlooked that the circular was not to take effect until more than thirty days after it was issued, and that even then an exception to its operation was made, in favor of actual settlers, for a term of four months, and until after Congress would be again in session. It is but just to give here the conclusion of this letter in its own words, that the objects designed to be reached and effected by it may not be mistaken. Its last paragraph is as follows:

“‘The principal objects of the President in adopting this measure being to repress alleged frauds, and to withhold any countenance or facilities in the power of the government from the monopoly of the public lands in the hands of speculators and capitalists, to the injury of the actual settlers in the new States and of emigrants in search of new homes, as well as to discourage the ruinous extension of bank issues and bank credits by which these results are generally supposed to be promoted, your utmost vigilance is required and relied on to carry this order into complete execution.’

“Such was the order, and such were the objects intended to be accomplished by it. That its action upon the banks, and especially in the land States, was, in some degree, harsh and severe, is unquestionably true. The condition of the institutions and the extension of their business, which called it forth, rendered this consequence certain and unavoidable. But, before this effect

of the circular should be made the ground for its condemnation, it should be considered how pressing was the necessity which called for some protection against a hasty transfer of the whole public domain for an equivalent, rendered uncertain, at best, from its vast amount and rapid accumulation; how urgent was the call for some measure which should either check the strong current of receipts rushing into the treasury, or give increased security and safety to the millions thus amassing beyond the wants of the government; which should stay the expansions of the banks, or guard the public domain and public treasure against the ruinous consequences certain to follow from the revulsion which these expansions could not fail to draw after them; how imminent was the danger to the currency of the whole country if these millions of the public money were suffered to multiply in the banks, and thus give strength and force and extent to the evil which all saw, all felt, and against which all demanded protection.

“That these dangers surround us now, unfortunately requires no proof. The history of the country and of our banking institutions, as well as of our public treasury, since the date of this circular, abundantly proves their existence and their extent. That the banks had extended their circulation and their credits beyond the point of prudence and of safety none will now question; that the public treasure in their keeping had become, and was becoming, unsafe from these excesses and indiscretions experience has now demonstrated; and that every public interest required and demanded a check upon the excesses of banking, the excesses of trade and the excesses of speculation is now beyond dispute.

“It has been objected to the treasury circular, as the appropriate remedy for the evil complained of, that it adopted a rule of discrimination, between the currency or medium of payment receivable for the public lands and for the revenue from customs, new, unknown to our laws and regulations for the collection of the revenue, and indefensible upon principle.

“It has been already seen that discriminations of this character are not new to our laws. As early as the year 1797 the evidences of the public debt, which were transferable certificates of

indebtedness, were made by law receivable in payment for the public lands, but were not receivable in payment for duties or any other public dues. In 1814 the Mississippi land scrip was made by law receivable in payment for the public lands in a specified territory, and not for the public lands generally, or in any other branch of the revenue, or for any other dues to the government. In 1823 the gold coins of Great Britain, Portugal, France and Spain were made receivable, at specified values, in payments for lands, while those coins were not, by any law of Congress in force at that time, receivable in any other branch of the revenue or made a tender in the payment of any other debts. And as late as 1830 the Virginia land scrip was made receivable for lands in the States of Ohio, Indiana and Illinois, and in no other States and for no other payments to the United States; and the same scrip is yet a medium of payment for public lands, its application having been extended and made general by an act of 1835. Discriminations of this character, therefore, have long been known to the law and the practice of our public collections, and the circular introduced no new principle in this respect into our system.

“Is there, then, any ground upon which the circular can be justified as having been made applicable to the receipts for lands and not for customs? The committee think some suggestions may be made which will go far to justify this application of the order, and they will proceed to state them.

“In the first place, an excessive currency of any character has a necessary tendency to sink the value of that currency, when compared with the value of marketable property for which it is exchanged. Hence the invariable nominal rise in the market of property of all descriptions which is open to a free market, when that which is used as money is abundant and cheap; and one of the strongest evidences that our paper currency was excessive during the years 1835 and 1836, is found in the fact that prices constantly advanced, although the supplies in almost every department of trade and production were unusually abundant, and no extraordinary demand was known to exist. The duties which constitute our revenue from customs are almost all a rate per centum imposed upon the value of the article. If,

then, the quantity of dutiable goods imported be the same, and the value be nominally increased in consequence of an excessive currency, the value of the duties will be nominally increased in the same ratio, and therefore the collection of the duties in the cheapened currency will keep the real value of the revenue from the importations at a given standard. Not so with our public lands. They have not been, and are not in this sense, open to a free market. Their value per acre is fixed by law; and however much the currency in which they were purchased may have been cheapened by abundance, they could not rise with other property to a price which would restore the equilibrium. They were bound down by a statute value; and when the currency to be received in payment for them was designated, the same nominal value of that currency, however much it might be cheapened by excess, would purchase the same quantity of the lands.

“If this suggestion required illustration, the history of the years 1835 and 1836 would afford the most ample. Speculations were excessive in almost every branch of trade and every description of property; but most so, and of the longest continuance, in the public lands. Why was this so? Clearly because, as our paper currency became more abundant, it became more cheap; and while every other description of property advanced in price, in a ratio nearly equal to the depression in value of the currency which paid for it, the market value of the public lands remained the same, and the same amount of the cheapened currency would purchase the same quantity of the lands. Hence they soon became the cheapest commodity in the market, and therefore continued to attract the attention of purchasers for the longest time, and to the latest period of the business excesses.

“This consideration would seem to the committee to offer a reason for the discriminating application of the circular at the time it was issued. When Congress fixed the value of the public domain at one dollar and twenty-five cents per acre, the intention, no doubt, was that the treasury should receive that sum in coin, or its equivalent. If, then, the paper currency had become so far cheapened, in consequence of its excess, that one dollar and twenty-five cents in it was worth less than the same sum in coin,

that difference was most palpably a net gain to the purchasers of the lands, and an entire loss to the whole people of the country, to whom the public domain belongs. That the committee are not mistaken in supposing that the paper currency was cheapened below the value of coin, is proved from the almost instant operation of the order itself, when one hundred and ten dollars of the paper were paid for a hundred dollars of the coin, to be expended in the purchase of the same lands, at the same price.

“In the second place, a check upon the excessive issues of paper and the dangerous extensions of credit was one of the great objects to be attained. The two great sources of revenue were the public lands and the foreign importations. For the former the paper, while it continued to be the currency of the treasury for their purchase, was the exclusive standard of value. It made the whole purchase. It was an accepted medium for the entire payment, and when the trade became excessive a check upon the paper was a check upon the whole capital embarked. Not so with the foreign importations. The paper was the medium of payment for the duties simply. The goods upon which the duties were assessed were, and must be, purchased abroad, where our bank paper could not circulate and did not constitute a medium of payment, and where coin and the equivalent of coin would alone pay the debts of the American merchant. If, then, it be considered that but about one-half of the amount of our foreign importations is chargeable with duties at all, and that the duties upon the remaining half do not probably, at the present time, exceed an average of thirty per centum, it will be seen how feeble, in the comparison, would have been the check imposed by the order upon this branch of the revenue. In the case of the lands it reached the whole capital, and, as has been seen, imposed upon it a check equal to some ten per centum, while in the case of the importations it could have reached but the mere incident of the duties, being only some fifteen per centum upon the whole capital, and, at the same rate of calculation, affording a check only equal to about one and a half per centum.

“Again, excessive issues of paper by our banks would act directly and to the whole extent upon the trade in the public lands, so long as the paper continued to be received in payment

for them, because it would meet the whole cost and constitute an acceptable medium for the whole payment; while the same excessive issues of the same paper would act but indirectly and incidentally upon our foreign trade. It might, to some extent and for a limited period, cheapen our products to be sent abroad and exchanged for foreign merchandise and in this way stimulate the foreign trade. It might, while the paper remained nominally equivalent to gold and silver and convertible into them, by cheapening the precious metals, lead to their profitable exportation and thus tend to make foreign trade excessive. And it would, while the countries with which the business was carried on remained at a healthful standard, add a direct stimulus as to that part of the capital required to pay the home duties. Still, it will be seen that the impetus given to foreign trade by excessive banking at home is indirect, incidental and partial; while that given to domestic speculations, such as that which has recently taken place in the public lands, is direct, positive and universal. These considerations, in the minds of the committee, should go far to justify the discriminating application of the order.

“In the third place, so large a portion of the operations of foreign trade is brought to the direct test of real capital, to the touchstone of a currency of intrinsic value, that excesses in that trade will soon check themselves. Not so with domestic trade based upon an excess of paper currency, while that paper continues to be an acceptable medium of payment in all its operations. So long as that state of things can be preserved the domestic excesses may be continued and extended at pleasure. Here, again, our recent experience furnishes us proof of the correctness of our positions. The excesses may be said to have commenced in both branches of our trade at about the same time. The domestic branch received the earliest check in the order under consideration, and yet that portion of it confined to the public lands had increased sixfold in two years, thus showing the direct and powerful impetus communicated to it, and the unlimited power of expansion it possessed, until checked by extraneous application, by the test of real capital, not introduced by its own movements but forced upon it by an independent power. Notwithstanding this application to our domestic trade,

however sudden and harsh as it is supposed to have been, months passed away before the self-correcting principle of the foreign trade produced any sensible check in that branch. Yet, although its amount had not been doubled during the whole period of excess, when this correcting principle did manifest its power a business paralysis was felt throughout the whole country. All business was suddenly arrested, and the banks themselves were compelled to suspend specie payments, without the ability to give a hope of resumption until a healthful equilibrium could be restored to this trade. Such, then, is the check which the foreign trade contains within itself, while the domestic, if once driven to excess, must look abroad for the corrective; and hence the greater propriety of applying the order in question to the one than to the other.

“To such as entertain the opinion that the pecuniary affairs of the country were healthful and well at the time this order was issued, that nothing required to be done, no check to be imposed, arguments in justification of the order would be addressed in vain. But such as admit that something was required, some protection to the public treasure and the public domain demanded, should ask themselves what other or better measure was in the power of the executive, before they condemn this as too sudden, too harsh or too strong. They should remember that, although the land sales were materially checked and the revenue from that source beneficially diminished by the operation of the order, business was not convulsed, trade was not prostrated, and the banks were not closed until the commercial revulsion following from the excesses of our foreign trade interposed itself. That the operation of the order may have hastened, in some small degree, the commercial revulsion is barely possible; that it was the cause of that revulsion is not possible. The supposition is contradicted by the facts of history, applicable as well to other countries as our own, by the dates of events and by the necessary connection between cause and effect.

“To the complaint that the order was made invidious by its partial application to a single branch of the public revenue, it would seem to the committee to be a satisfactory answer to say that it was made applicable to that branch of the revenue upon which

it would act most efficiently as a check to the prevailing excesses; upon that branch of the revenue from which the heaviest surplus was accumulating in the treasury; upon that branch of the revenue which was most insecure, as time has since shown; upon that branch of the revenue which, from the nature and character of the property out of which it arose, as well as from the medium in which it was entirely paid, most needed protection, by an efficient check upon the excesses of credit; and that, if its action was necessarily severe, that action was materially mitigated by confining it to that branch of the revenue least diffused, in its exactions upon the tax-payers of the whole Union.

“So much for the treasury circular of the 11th of July, 1836, for the peculiar circumstances which called it forth, for the reasons and views which dictated it, for the grounds upon which its partial and particular application is justified, and for answers to the prominent objections against it.

“The suspension of specie payment by the banks, and the provisions of the deposit law of 1836, have, since the month of May, 1837, rendered the order in question practically a dead letter, and it remains to this moment in that state unrescinded.

“The Senate has, during its present session, with great and patient labor, digested, passed and sent to the House of Representatives a bill, such as met the approbation of a majority of its members, covering all these points, and calculated to make the rule for the currency, collection, safe-keeping and disbursement of the public revenue, in all its branches, uniform and identical. As has been before remarked, one of the sections of that bill was, in its supposed purpose and object, similar to the first clause of the resolution referred to the committee, and now under consideration. The vote of the Senate, which introduced that section into the bill, does not leave room for a doubt that the body is decidedly friendly to the principle contained in it, the principle of uniformity in the currency or media of payment in all branches of the public revenue. The question is one which, so far as its present agitation is concerned, has originated in the action of the executive department of the government; but that department has repeatedly referred it, with all the attendant considerations, to Congress, that legislation, so far as Congress

should think wise and expedient, might take the place of executive regulation and executive discretion. Whether, under these circumstances, the Senate will consider it incumbent upon it to act further, upon any branch of this great subject, until it shall be informed of the final disposition, by the House, of the bill it has sent down, covering the whole ground, is a question in relation to which the committee do not feel called upon for the expression of an opinion. If it shall be supposed that this repetition of action may involve considerations of parliamentary rule or parliamentary courtesy, they will appropriately address themselves to the Senate itself, and not to one of its committees.

“The committee will, therefore, leave this branch of the resolution, with the single remark that, should the Senate be disposed to adopt it in its present form, some exception may be required to be made in relation to ‘the Virginia land scrip,’ now expressly, by law, made receivable for lands, but not for any other public dues.

“The second clause of the resolution, proposing to make bank-notes the currency of the public treasury, is in the following words:

“ ‘ And that, until otherwise ordered by Congress, the notes of sound banks, which are payable and paid on demand in the legal currency of the United States, under suitable restrictions, to be forthwith prescribed and promulgated by the Secretary of the Treasury, shall be received in payment of the revenue and of debts and dues to the government.’

“The proposition here presented, also, has already received the definitive action of the Senate during its present session, but not, like the former one, the favorable action of the body. A reference to the journal will show that, on the 24th day of March last, the ‘bill to impose additional duties, as depositaries, upon certain public officers, to appoint receivers-general of public money, and to regulate the safe-keeping, transfer and disbursement of the public money of the United States,’ being under consideration, the following amendment was moved, to stand as the twenty-third section of that bill, viz.:

“ ‘ SEC. 23. *And be it further enacted,* That the revenue of the United States, whether arising from duties, taxes, debts or sales of public lands, shall be collected and received in gold and silver, or in treasury notes, or in

the notes of banks which are payable and paid on demand in the legal coin of the United States, subject to such regulations and restrictions, in regard to the notes of specie-paying banks, as aforesaid, as Congress may, from time to time, establish and prescribe: *Provided*, That nothing in this section shall be so construed as to prohibit receivers or collectors of the dues of the government from receiving for the public lands any kind of land scrip or treasury certificate now authorized by law.'

"The only substantial difference between these propositions is, that the one now referred to the committee leaves the restrictions and regulations under which bank-notes are to be received to the Secretary of the Treasury, while the one formerly offered to the Senate reserved to Congress alone the right of imposing those restrictions. In all other respects both are substantially the same. The exclusive object and purpose of both is to make the notes of specie-paying banks receivable, by compulsion of law, in all dues to the government; and, although the one last quoted enumerates, also, gold and silver and treasury notes, yet the sole change it proposes in the existing laws is as to the bank-notes, inasmuch as gold and silver and treasury notes are, by the existing laws, expressly made receivable in payment of all dues to the United States. The propositions, therefore, are identical in substance, with the single exception before named. A reference to the Senate journal of the twenty-fourth of March last will show that a vote of the Senate was taken upon the last named proposition, and that it was rejected, every Senator being in his seat and voting upon the question.

"This part of the resolution, therefore, like the former, is obnoxious to the objection that it is, in effect, but a mere repetition of a proposition before made to the Senate and before deliberately and definitively acted upon by the body, during its present session. The committee do not mention this fact to prove that the Senate either cannot or ought not again to entertain the proposition, or that it will not be the pleasure of the body again to act upon it. As in relation to the former clause of the resolution, they do not feel called upon to express any opinion upon these points. They are questions, as it seems to them, addressing themselves to the Senate itself, and not to the committee, and with the Senate they cheerfully leave their decision. They will, however, respectfully suggest that a

practice of this sort, extensively introduced, could not prove economical to the time of a legislative body or favorable to the certainty of its action. The same questions might, under such a practice, call for a repetition of debate and a repetition of votes, without any material advance in business; and, as the body might chance to be full or thin, as to numbers, at the precise moment of each vote, its decisions of the same questions might be uniform or contradictory. These, however, are considerations which will not escape the attention of the Senate in disposing of the propositions now presented.

“How, then, will the clause of the resolution now under consideration, if adopted and made part of the law of the land, change the law as it exists? And how will it affect the treasury and the public funds? In the opinion of the committee, it will make a medium of payment for public dues, to wit, specie-paying bank-notes, compulsory, which has heretofore been merely permissive; and it will force upon the public treasury a currency which has proved, upon various occasions, to be unsafe and dangerous, when its receipt rested in the discretion, and therefore to some extent upon the official responsibility of the fiscal officers of the government, and which, if made the legal currency of the treasury, and compulsory upon it, will subject the public revenues to fluctuations, hazards and losses, highly detrimental to every important interest, public and private.

“Are the committee right in supposing that this proposition involves the change of the existing laws which they have mentioned? As condensed an examination of our legislation upon this subject as can be made shall answer this inquiry.

“The first law passed, after the organization of the government under the present Constitution, touching the currency or medium of payment in which the public dues should be collected and received, was an act passed on the 31st day of July, 1789, entitled ‘An act to regulate the collection of duties, imposed by law on the tonnage of ships or vessels, and on goods, wares and merchandises imported into the United States.’ The thirtieth section of that act prescribed the currency to be received under it, and was in the following words :

“ ‘SEC. 30. *And be it further enacted,* That the duties and fees to be col-

lected by virtue of this act shall be received in gold and silver coin only, at the following rates, that is to say: the gold coins of France, England, Spain and Portugal, and all other gold coins of equal fineness, at eighty-nine cents for every pennyweight; the Mexican dollar at one hundred cents; the crown of France at one dollar and eleven cents; the crown of England at one dollar and eleven cents; and all silver coins of equal fineness at one dollar and eleven cents per ounce.'

"This established 'gold and silver coin only' as the currency of the treasury, so far as the revenue from customs was concerned. This act was repealed by an act passed on the 4th day of August, 1790, entitled 'An act to provide more effectually for the collection of the duties imposed by law on goods, wares and merchandise imported into the United States, and on the tonnage of ships and vessels.' The fifty-sixth section was in the same words with the thirtieth section of the act of 1789 above quoted, with the following addition at the end of the section, viz.: '*and cut silver of equal fineness at one dollar and six cents per ounce.*'

"The next law which affected the currency of the treasury was the act passed on the 25th day of February, 1791, entitled 'An act to incorporate the subscribers to the Bank of the United States.' The tenth section of this act was in the following words:

" 'SEC. 10. *And be it further enacted*, That the bills or notes of the said corporation, originally made payable or which shall have become payable, on demand, in gold or silver coin, shall be receivable in all payments to the United States.'

"These laws constituted the currency of the treasury 'of gold and silver coin only,' or of the bills or notes of the Bank of the United States, originally made payable or which had become payable, on demand, in 'gold and silver coin;' which currency was made receivable in all branches of the public revenue, and for all debts and dues of the government.

"With the exception of the legislation as to the currency or media of payment receivable for the public lands, before noticed, the committee find no act of Congress changing this state of the law until the passage of the act of 2d May, 1799, entitled 'An act to regulate the collection of duties on imports and tonnage.' This act repealed the act of 1790, above referred to, *and all prior acts and parts of acts conflicting with its provisions*, and its seventy-fourth section is in the words following :

“ ‘ SEC. 74. *And be it further enacted*, That all duties and fees to be collected shall be payable in money of the United States, or in foreign gold and silver coins, at the following rates, that is to say: the gold coins of Great Britain and Portugal, of the standard prior to the year one thousand seven hundred and ninety-two, at the rate of one hundred cents for every twenty-seven grains of the actual weight thereof; the gold coins of France, Spain, and the dominions of Spain, of the standard prior to the year one thousand seven hundred and ninety-two, at the rate of one hundred cents for every twenty-seven grains and two-fifths of a grain of the actual weight thereof; Spanish milled dollars, at the rate of one hundred cents for each dollar, the actual weight whereof shall not be less than seventeen pennyweights and seven grains, and in proportion for the parts of a dollar; crowns of France at the rate of one hundred and ten cents for each crown, the actual weight whereof shall not be less than eighteen pennyweights and seventeen grains, and in proportion for the parts of a crown; *Provided*, That no foreign coins shall be receivable which are not, by law, a tender for the payment of all debts, except in consequence of a proclamation of the President of the United States, authorizing such foreign coins to be received in payment of the duties and fees aforesaid.’ ”

“ By an act passed on the 9th day of February, 1793, entitled ‘An act regulating foreign coins, and for other purposes,’ it is provided that the foreign coins above particularly named shall pass current, ‘*as money*,’ within the United States, and be a tender in payment of debts, at the rates above specified, which explains the proviso of the section; but what is the true legal construction of the terms ‘*money of the United States*,’ used in the first part of the section, may require some examination.

“ On the 2d day of April, 1792, an act was passed entitled ‘An act establishing a mint, and regulating the coins of the United States.’ This act made the first provision for our national coinage and for our national coin. Its provisions are numerous, but it is sufficient for the present purpose to say of them that they designate the coins of gold, silver and copper to be coined at the mint, being the same designations which the coins of the United States still bear; that they regulate the value of the coins, and that the sixteenth section is in the following words :

“ ‘ SEC. 16. *And be it further enacted*, That all the gold and silver coins which shall have been struck at and issued from the said mint shall be a lawful tender in all payments whatsoever; those of full weight, according to the respective values hereinbefore declared; and those of less than full weight, at values proportioned to their respective weights.’ ”

“The Constitution gives to Congress the power to ‘coin *money*, regulate the value thereof, and of foreign coin,’ and the two acts last referred to are an exercise of that power; the latter providing for coining money by means of a mint of the United States, and regulating the value of the money so to be coined, and the former regulating the value of foreign coin. This power is exclusive in Congress, as the Constitution of the United States expressly prohibits the States from coining money. What, then, is ‘the *money* of the United States’ here intended? In the opinion of the committee, it is the *coin* of the United States; the *product* of the mint of the United States; the *money coined* by the authority of Congress. In this opinion they do not suppose it possible they can be mistaken. The construction seems to them too clear to admit of argument or question. The collocation of the words ‘money of the United States,’ as used in the section of the act of 1799, above quoted, would seem to confirm this as the construction intended to be given to these words by Congress, in the passage of that law. The provision is, ‘that all duties and fees to be collected shall be payable in *money* of the United States, or in foreign *gold and silver coins* ;’ thus, as it would seem to the committee, contemplating a currency of metal only, and using the words which are used to distinguish between the coinage of our own country and foreign coinage.

“It has been seen that, prior to the passage of this law, the revenue from customs was, by law, collectible in gold and silver coin, or in the bills or notes of the Bank of the United States. If the construction which the committee have given above to this act of 1799 be correct, the bills or notes were excluded by it from the collections of the revenue from customs, inasmuch as the 112th section of the act repeals the act of the 4th of August, 1790, and further declares that ‘all other acts and parts of acts, coming within the purview of this act, shall be repealed and thenceforth cease to operate.’ That branch of the revenue was, therefore, from that time forward, receivable in coin only; that is to say, ‘in money of the United States, or in foreign gold and silver coins.’

“Between this date and the year 1811, no changes are found to have been made in the law prescribing the currency or medium

of payment in which any part of the public dues should be received, other than such as have been noticed under the former head of this report, being such as affected that branch of the revenue derivable from the lands only. On the 3d day of March, 1811, the charter of the old Bank of the United States expired, and, by an act passed on the 19th of March, 1812, the tenth section of that charter, making the bills or notes of the corporation receivable in payments to the United States, was repealed. This left the act of 1799 the unquestioned rule as to the currency receivable in payment of the revenue from customs.

“In this same year, however, and the three years succeeding, the various laws before referred to, of 1812, 1813, 1814 and 1815, authorizing emissions of treasury notes, were passed; all of which made the notes receivable in all branches of the revenue and for all dues to the government. They, therefore, were added to the coin as a medium of payment in the collection of the duties and fees, under the act of 1799 and the other acts regulating the collection of the revenue from customs.

“On the 10th day of April, 1816, the law passed to incorporate the second Bank of the United States, entitled ‘An act to incorporate the subscribers to the Bank of the United States.’ The fourteenth section of this act was in the words following:

“‘SEC. 14. *And be it further enacted*, That the bills or notes of the said corporation, originally made payable or which shall have become payable, on demand, shall be receivable in all payments to the United States, unless otherwise directed by act of Congress.’

“If this last clause of the section referred to ‘acts of Congress’ thereafter to be passed and not to acts of Congress then in force, then this bank charter added a new medium of payment for all public dues, and made receivable in all branches of the public revenue, by the then existing laws, ‘gold and silver coin,’ ‘treasury notes’ and ‘the bills or notes of the corporation payable on demand.’ This seems to have been the construction given by Congress to those laws in the language used in the joint resolution of the 30th day of April, 1816. This resolution, it will be seen by its date, passed but twenty days after the passage of the bank charter, and made a change in the legislation of Congress in relation to the currency of the public treasury much greater than

any which had ever before been known to our laws. Indeed, it must strike the attention of all, at this day, as somewhat remarkable, that during the existence of the government under the Constitution, the two bank charters alone excepted, no law or resolution or expression of Congress had recognized, in any form or to any extent, bank notes as a medium of payment at the treasury; and that even during the existence of the first bank charter, and notwithstanding the receivable character given to its bills and notes by its tenth section before quoted, the law of 1799 before referred to, in relation to the collection of the revenue from customs, and the law of 1800 referred to under the former head of this report, in relation to the sale of the public lands, were both passed, and both confined the payments in these respective branches of the revenue to 'specie,' 'money of the United States,' 'gold and silver coin' or 'evidences of the public debt of the United States.' These laws, too, remained in full and unquestioned force, as to these provisions, during the whole remaining life of that bank charter and up to the time of the charter of the second bank, in 1816.

"The joint resolution of 1816 here referred to is entitled 'A resolution relative to the more effectual collection of the public revenue,' and is in the following words:

" 'Resolved, by the Senate and House of Representatives of the United States of America, in Congress assembled, That the Secretary of the Treasury be, and he is hereby, required and directed to adopt such measures as he may deem necessary to cause, as soon as may be, all duties, taxes, debts or sums of money, accruing or becoming payable to the United States, to be collected and paid in the legal currency of the United States, or treasury notes, or notes of the Bank of the United States, as by law provided and declared, or in notes of banks which are payable and paid on demand in the said legal currency of the United States; and that, from and after the twentieth day of February next, no such duties, taxes, debts or sums of money, accruing or becoming payable to the United States, as aforesaid, ought to be collected or received otherwise than in the legal currency of the United States, or treasury notes, or notes of the Bank of the United States, or in notes of banks which are payable and paid on demand in the said legal currency of the United States.'

"Such was the resolution of the 30th of April, 1816; a resolution called into existence by the derangement in our monetary system at that particular period; a resolution which, its form and

its terms, as well as the circumstances attending it, all conclusively prove, was never intended, by the Congress which passed it, to be a permanent regulation for the currency of the treasury, but a temporary aid in an attempt to recover from the wide departures from the law, which the *practices* of the Treasury department had introduced; in an attempt to bring back, to a tolerable state, a practical, not a legal currency, which had become intolerable. And it should be carefully borne in mind that this resolution was not designed to release the standard of currency for the treasury from the operation of sound and wholesome laws, but to relieve the treasury from a depreciated currency which had been, and was being, received into it against law.

“The committee are not to be understood as speaking in terms of censure of the state of things existing in 1816, in relation to our monetary affairs, but merely as relating facts as they appear upon the face of the statute book. We had just then emerged from a state of war. Our contest had been with a rich, and powerful, and skillful, and experienced enemy. Our resources, both in men and money, were vastly more limited than they now are. A heavy balance of the debt of the Revolution remained unpaid, and our credit as a nation had become but partially established, either with our own or foreign capitalists. We were unprepared for war, and the expenses of making the necessary preparations, in the midst of hostilities, soon exhausted our treasury and depressed our credit. In that condition the country sought aid wherever it could be obtained, and, among other resources, availed itself of that which was offered by a certain portion of the State banking institutions. In this way it became their debtor, and, being unable to pay, was compelled to wink at and finally to countenance their suspension of specie payments. Hence, also, arose the compulsion to make their irredeemable notes the currency of the treasury; a compulsion stronger than the law; the compulsion upon the debtor not to refuse to honor the paper of his creditor. Surely, then, the committee are not disposed to cast censure upon the able and worthy and patriotic public officers, through whom these acts were performed, but to mourn, as they did, over that depressed condition of our beloved

country which forced its faithful public servants to these extremities.

“To extricate the treasury from these embarrassments, and, as far as might be, to reclaim the currency generally from derangements thus brought upon it, was the design and object of the resolution under consideration ; and who that has examined our previous legislation will believe that, but for these derangements, growing principally out of loans and advances to the government in the hour of its utmost need, the resolution of 1816 would have ever met the approbation of a Congress of that day ? And who, in view of all these considerations, will believe that the Congress which did pass that resolution intended to render it compulsory as to the receipt of the notes of the State banks in payment of all public dues, and thus to fasten upon the public treasury, as a permanent and obligatory medium of payment, for all future time, that very currency from which the country had suffered and was then suffering so severely ?

“ Was the resolution imperative as to the receivability of the notes of the local banks ? Such is not the construction which the committee give to it. The resolution names four distinct media of payment for the public dues, viz. : the legal currency of the United States (gold and silver coin), treasury notes, notes of the Bank of the United States, and notes of banks which are payable and paid on demand in the legal currency of the United States. The first three are mentioned as currency or media, ‘*as by law provided and declared,*’ as it has been seen they were ; while the committee look upon the enumeration of the last, it not being a currency or medium of payment for the public treasury, ‘*by law provided and declared,*’ as, in substance, granting a permission to the fiscal agents of the treasury to make it such, if payable and paid on demand in the legal currency ; as, in effect, saying to the receivers of public money, in all the departments, you *may* receive the notes of the local banks in payments to the United States, provided they are redeemable and redeemed, on demand, in coin ; you are now receiving them while they are irredeemable ; but after the twentieth day of February next you ‘*ought*’ not to receive them in that state.

“ Another view of the resolution will strengthen this construc-

tion. If it is imperative as to the receipt of the notes of *any* local banks which are payable and paid on demand, in the legal currency of the United States, it is equally imperative that the notes of *all* local banks, which are so paid, shall be received. Will the idea be entertained, for a moment, that the Congress of 1816 intended this? Will it be believed that they intended to make the notes of all the banks in the Union, and of all which the States should thereafter charter, and which should at the moment be specie-paying banks, an effective tender, at any and every point in the Union, in payment of all government dues? The committee cannot entertain such an opinion. They will not believe that the majority of any Congress of the United States, which has ever yet assembled, would have adopted a rule for the currency of the public treasury so incalculably dangerous. To them the resolution seems to have had one distinct and leading object, viz., the discontinuance of the receipt, at the treasury, of the notes of banks which were *not* payable and paid on demand in the legal coin of the United States. Still, the banks whose notes were to be excluded by such a rule were the banks which had aided the government in its then recent troubles, and to which it stood indebted. Hence the advisory rather than mandatory language in which the interdiction was couched in the last part of the resolution; and hence, too, the inducement as to the receipt of the notes, in case they were redeemed in specie, proffered in the first part of the resolution. Those portions which relate to 'the legal currency of the United States,' to the 'treasury notes' and to the 'notes of the Bank of the United States' were not inserted to constitute, by the force of law, a currency for the treasury; for they were then, by the law, the currency of the treasury for all payments to the United States. They were not made the currency of the treasury by the resolution, but were so before the resolution had existence, and were described in it as the currency in which the public dues were to be paid, '*as by law provided and declared.*'

"The resolution, then, was not designed to and did not prescribe and establish a currency obligatory upon the treasury, but recited that which was so '*as by law provided and declared;*' and authorized the Secretary of the Treasury to add to it, in the

“ARTICLE XXIV. The offices of discount a payment of the revenue of the United States, the redeem their engagements with specie, and prov

banks located in the city or place where the office receiving them is established. And also the notes of such other banks, as a special deposit on behalf of the government, as the Secretary of the Treasury may require.

“ ‘ARTICLE XXV. The offices of discount and deposit shall, at least once in every week, settle with the State banks for their notes received in payment of the revenue, or for the engagements of individuals to the banks, so as to prevent the balances due to the office from swelling to an inconvenient amount.’

“ Here is the construction put upon this resolution by the bank, immediately after its passage, and before the day named in it had arrived, when the treasury was to cease to receive the notes of non-specie-paying banks. Here, too, are the rules which were to govern, and which did govern, the practice of the bank under the resolution; and the committee are bound to presume that the construction and the rules met the approbation of those officers of the government whose duty it was to see the laws faithfully executed in this particular, as they were bound to see that their fiscal agent performed what they held themselves obliged to perform in consequence of this resolution. They are also bound to presume that this practice was in accordance with the intention of the members of Congress who voted for the resolution, and with the construction given to it by the State banks interested, as the practice appears to have governed the conduct of the bank, without any interference on the part of Congress, from the time the rules and regulations were adopted until the month of October, 1833, when the public money ceased to be deposited with the institution. Surely, then, after such evidences of cotemporaneous construction, it will not be contended that the resolution of 1816 was intended to, or did, make the receipt of all specie-paying bank-notes obligatory upon the treasury.

“After this period, and during the continuance of the charter of the second Bank of the United States, no laws have met the attention of the committee which varied the description of currency or media of payment for the public dues. The legal currency of the United States — treasury notes, and the notes of the Bank of the United States, payable on demand — was, therefore, the legal currency of the treasury, with the permission, granted by the resolution of 1816, to receive the notes of the local banks payable and paid on demand in the legal currency of

the United States, until the expiration of that charter. The charter expired on the 3d day of March, 1836, by its own limitation, and on the nineteenth day of June after, Congress repealed its fourteenth section, which made its notes receivable in payments to the United States.

“It is proper here to remark that the various laws authorizing emissions of treasury notes, and making them receivable for all government dues, had become obsolete, by the entire redemption of the notes, many years before the expiration of the bank charter, in 1836, and that medium of payment was thus practically withdrawn from the currency of the treasury. The expiration of the charter of the bank, and the law of the 15th June, 1836, repealing the fourteenth section of the charter, withdrew another of those media in the notes of the bank, thus leaving ‘the legal currency of the United States’ the only currency compulsory upon the treasury, but leaving also the permission given, by the joint resolution of 1816, to receive the notes of specie-paying local banks.

“This continued to be the state of things until the passage of the act entitled ‘An act to regulate the deposits of the public money,’ passed on the 23d day of June, 1836. The last clause of the fifth section of that act is in the following words:

“ ‘Nor shall the notes or bills of any bank be received in payment of any debt due to the United States, which shall, after the fourth day of July, in the year one thousand eight hundred and thirty-six, issue any note or bill of a less denomination than five dollars.’

“Thus modified, the law *compelled* the receipt of the legal currency of the United States, and *permitted* the receipt of the notes of such specie-paying banks as should not, after the 4th of July, 1836, issue notes of a less denomination than five dollars.

“On the 12th of October, 1837, an act was passed entitled ‘An act to authorize the issuing of treasury notes,’ the first clause of the sixth section of which reads as follows:

“ ‘SEC. 6. *And be it further enacted*, That the said treasury notes shall be received in payment of all duties and taxes laid by the authority of the United States, of all public lands sold by the said authority, and of all debts to the United States, of any character whatsoever, which may be due and payable at the time when said treasury notes may be offered in payment’

“This law added again treasury notes as a medium of payment, and thus stands the law at the present time — the legal currency and treasury notes being made receivable by law, and the notes of specie-paying banks which have not, since the 4th day of July, 1836, and do not, issue notes of a less denomination than five dollars, being permitted to be received by the resolution of 1816, as modified by the deposit law of 1836.

“In this last review of the legislation in relation to the currency, references may not have been made, in all cases, to the laws prescribing the media of payment for the public lands, but all such laws are believed to be particularly noticed under the former head. None of the numerous laws regulating the value of foreign coin, and of the coins of the United States, have been referred to under either head, as the coins of both descriptions, as far as regulated by law, have at all times been receivable in all the branches of the revenue, and for all dues to the government, either specifically, by the terms of the laws, or under the general designations of ‘money of the United States’ and ‘legal currency of the United States.’ It may, however, be worthy of remark, that considerable changes are found in the laws regulating the value of foreign coin, both as to the descriptions of coins legalized and made ‘money of the United States,’ and a tender in payment of debts, and as to the value fixed to the coins of different countries by the different laws, and that, during some periods, no foreign gold coins, and very few foreign silver coins, if any, have been legalized. It also appears that, by an act passed on the 3d day of March, 1823, the gold coins of Great Britain, Portugal, France and Spain were made receivable ‘in all payments on account of the public lands,’ at specified rates, but for no other public dues; nor were any foreign gold coins, at that time, legalized and made a tender in the payment of debts.

“Such has been the legislation of Congress on the subject of the currency or media of payment to be received for dues to the public treasury; and from it we learn that, with the exception of the two bank charters and the resolution of 1816, it has, in all cases and for all purposes, required in payment of the public dues gold and silver coin, or securities issued upon the faith and credit of the government. The bank charters present the only instances

where bank-notes have been made a t debts due to the United States; and in the of the banks themselves only were so m banks in which the government itself wa amount of one-fifth part of the whole cap by Congress, and over which Congress h both as the creating Legislature and as th perty of the people invested in them. I mean to be understood as speaking in te legalizing the notes of even these banks as upon the treasury, but merely as distingui issued them from the banks chartered by Congress has no control, in the manageme of this government can exercise any vo United States hold no interest.

"Still, the proposition referred to the under consideration, is that all the notes o State banks of the country, of all such l shall hereafter charter, and of all such ban after formed under any general bank la banking which any of the States have ad adopt, 'shall be received in payment of th and dues to the government.' Such the; scope and effect of the proposition embr referred to them. Will the Senate adop hope and believe not. The deliberate e against a proposition substantially simil session, strengthens this hope.

"The permission to receive the notes banks still exists, under the resolution of l of this government require more than t the security of the public treasure, the intrusted to the keeping of Congress, be the receipt of these notes compulsory up Constitution has protected the people the compelled to take bank-notes of any ch dues to them, as individual citizens. It shall make anything but gold and silver co

of debts;’ and no one ever has, and the committee presume no one will now, claim for Congress the power thus denied to the States. Were the fathers of the land, the framers of the Constitution of the United States, wise in extending this protection to the individual citizens of the country? Did, and do, their private interests require this protection? All will answer these questions affirmatively. Is it possible, then, that their collected interest, their public treasure, is to be rendered more secure by an exactly opposite rule? Is it possible that their private, individual property can only be protected by securing to them the right to demand gold and silver in payment of their debts? and that their common treasure is to be better protected by taking this right from their servants, charged with its collection? The citizens are at liberty to receive bank paper in payment of their debts, if they think it safe to do so, and the collectors of their revenue are at liberty to receive bank paper into the public treasury, if they think the paper safe to that treasury. The Constitution guards the former against a compulsion to take the paper; and should Congress force that compulsion upon the latter, because the Constitution does not interpose to prevent it? The servants of the people in Congress or in the State Legislatures cannot force bank paper into the pockets of their constituents, in satisfaction of their debts; and should they force it into their public treasuries, in satisfaction of the dues to them? The committee can see no state of facts, or train of argument, which can reconcile these contradictions, and make the passage of this part of the resolution a public duty. Is this proposition to be adopted for the benefit of the banks, as it is seen its adoption cannot be urged as a protection to the public interests and the public treasure? Do the banks require or ask it? The committee believe they can answer for the solvent and well-conducted banks, that they have no such need, and make no such request; that they have no desire that the currency of their notes should rest upon any stronger basis than their known ability and willingness to redeem them with gold and silver, on demand; and that they would not, if they could, have the notes of the eight or nine hundred banks of the several States made a legal tender for any purpose. That there have been banks which

required the force of law to make their notes current and valuable, recent experience has demonstrated, as, in the absence of such a law to force them upon the public, they have fallen dead and valueless upon the hands of private holders. That there may be other banks in the country which yet purport to be sound, and which still may require the aid of such a law as is here proposed, to enable them to pass off their notes for a much longer period, is very possible; but the committee sincerely hope, if such there are, that their number is small, and they are sure that none will advocate the passage of the resolution for the benefit of such banks. Of one thing they are most happy to be assured, and that is, that there are some banks in the country which require no such artificial aid; which have resumed specie payments, and are rising up, under all the embarrassments of the times, to the full performance of their whole duties to themselves and the public; and which present, to those behind them, a most worthy example of what good management and good faith can accomplish, without the aid of a law which shall compel the receipt of their paper.

“Try the proposition under consideration upon the banks themselves. Would they receive each other’s notes at par when they were all specie-paying banks? Will a single sound bank among the whole number now consent to the passage of laws which shall compel them to receive each other’s paper at par, or even to receive it at all, after they shall have resumed specie payments? Most certainly not. Then shall Congress, by its legislation, compel a credit for the notes of the banks at the treasury, which they will not give, upon any terms, to the notes of each other? Most assuredly the banks will not have the effrontery to ask Congress to do this.


“It may be said, as it has been said, that opposition to this resolution is hostility to the State banks. The committee cannot view it in that light. Is it hostility to a bank to decline to make its notes receivable, by the force of law, in the payment of debts? Have the rights of private incorporations become already so far advanced in our free country? Are we compelled to pass laws to force off their notes, or be warred upon by these institutions? Have the rights of corporators become already so far paramount to the rights of the individual citizen, that we must so frame our

laws as to compel the promises of the one to be received at our treasury while we exact the money from the other, or be set down enemies to the corporations, meriting their vengeance? Is it a crime against the banks to object against making that a legal tender at the public treasury which the banks will not recognize to be a currency at their counters? No. The condition of the American legislator has not yet become so degraded. The banker, deserving the name, who appreciates the privileges conferred upon him by law in the charter of his bank, and feels the obligations which attend upon his profession; who can content himself with reasonable gains, and admits that he is not, more than the private citizen, exempt from the common moral obligation of paying his debts when he is able to do so, will interpose no claims, and ask no such protection for his credit. He will applaud the legislator for passing such laws as will protect private rights, private property, the public interests of his constituents, and public liberty, even though some of those laws should be intended to restrain the abuses of banking. He will not consider efforts to protect the public morals and the interests of the whole people against any and all threatened dangers, as hostile to him or his bank; and if such a charge is to come from those engaged in the business of banking, it is to be looked for from those only who are conscious of a weakness requiring the aid of laws such as that now proposed; from those who have enjoyed the monopoly of having their notes exclusively made the legal currency of the public treasury, until the wealth and power acquired from too much public patronage and favor have emboldened them to demand as a right, in all situations, the exclusive privileges which were only accorded to relations the most intimate, and interests perfectly identical between them and the public; or from those whose habit of leaning upon the public treasury for support has become so confirmed that that support is rendered essential to healthful existence. To such, the refusal to pass this part of the resolution may seem a hostile act, not because they believe they possess the right to demand the protection, but because they feel its necessity too deeply to be able to reason as to the right.

“It may be said, as it has been said, that the government is

believed to be hostile to the State banks, and that this provision of the resolution should be passed to rebut so injurious a presumption. The foundation for this suggestion, and the character of the remedy recommended for the supposed evil, deserve some examination, that the public mind may be disabused upon both points.

“First, then, what foundation is there for the allegation that the government is hostile to the State banks, and is prosecuting an exterminating war against them? Previous to the month of October, 1833, all the connection which had existed between the government of the United States and the banks chartered by the States, for a term of nearly eighteen years, had been prescribed, formed and conducted by and through the Bank of the United States, acting as the fiscal agent of the treasury of the United States. The committee, in a former part of this report, have shown what that connection was, and how far it extended. It consisted in the reception, by the Bank of the United States and its branches, ‘in payment of the revenue of the United States,’ of the notes of such State banks as ‘redeemed their engagements with specie,’ and were ‘located in the city or place’ where the receiving bank or branch was located, and of the return of those notes to the State bank which issued them, ‘at least once in every week,’ *to be redeemed with specie*. This was the character and extent of the connection between the public treasury and the local banks, under the fiscal management of the Bank of the United States. To prepare for the expiration of the charter of that bank, and for the winding up of its affairs as a national bank, an institution which public opinion had clearly indicated was not to have existence in this country after the expiration of that charter, the Secretary of the Treasury, under the direction of the President, ordered the public money, from and after the 1st day of October, 1833, to be made in certain designated State banks, and not in the Bank of the United States. This was the commencement of a more extensive, intimate and responsible connection between the government and the local banks. It was matured and continued by executive direction, without any definitive action on the part of Congress, until the 23d day of June, 1836. In the meantime, this action on the part of the executive branch



of the government was most loudly complained of, as exhibiting a spirit of favoritism, toward the local banks, dangerous to the public treasure of the nation, destructive of public confidence, and consequently of public and private credit; as rendering certain the entire prostration of business, and the dissemination of distress and bankruptcy throughout the land. The public revenue, however, continued to accumulate with a rapidity theretofore unexampled, and business took a sudden impetus, which drove it from a state of healthful and vigorous to one of wild and feverish action in the space of less than two years. These appearances filled the minds of many of the friends of the policy of the executive with anxiety and concern, while the complaints of the opponents of the policy were changed to the dangers impending over the numerous millions of the public money in the insecure banks; the improper uses to which the money was applied by the institutions; the certainty of fatal derangements in the paper currency to be caused by the excesses, and the like. At this crisis, and on the 23d day of June, 1836, the act was passed entitled 'An act to regulate the deposits of the public money.' That act legalized the connection between the government and the banks, and prescribed regulations of law for its future continuance. Still, the unnatural accumulations of revenue continued in a manner to alarm the minds of all, and to furnish the most conclusive evidence of fearful excesses in banking, and in the use of credits generally. The deposit act proposed no check to this state of things, so far as the public revenue was concerned, though it did provide another, and what Congress considered a safer, mode of keeping the vast amount of treasure collected and collecting. No other action of Congress provided this check; and as much the greatest excess of collections was coming in from the lands, after the adjournment of Congress, on the 4th of July, 1836, and on the eleventh day of that month, the Secretary of the Treasury, under the direction of the President, issued the order respecting the medium in which payments for lands would, after certain periods named, be required to be made. This order first changed the tone of complaint from that of favoritism on the part of the government toward the local banks, to that of deadly hostility against them. Time passed on, however,

and Congress met and adjourned again affecting the collection of the revenue. The order had had the effect to diminish a much less extent than was anticipated. Dictated by its opponents, the sales of less, in the same proportion, the accuracy of that source. By this time, also, unequal business and commercial revulsion, not only throughout this country, but in commercial countries of Europe, and so rapid, that, before the expiration of the month, a few unimportant exceptions, all the banks in the United States were induced to suspend payments in specie.

"This produced a new and embarrassing situation for the government. All the means of the treasury were exhausted. The expenditures of the country were on a large scale, and they were, by law, the depositories of the public money. Still, the act making them so prohibited them from receiving deposits, of any but specie-paying banks, and it was the duty of the Secretary of the Treasury to see that the bank as a depository which should 'at all times hold its own notes in specie, if demanded,' and 'not receive public moneys which it may hold on deposit, or on the discontinuance.' The deposit banks, therefore, were instantly discontinued, and the country was left without a bank which could be selected, because it provided for the public banks. Hence other depositories, different from the banks, were to be constituted, and of necessity, the officers of the treasury were to be with the collection of the public dues, the keeping of the money collected, and the disbursement. Another duty of the Secretary of the Treasury was made equally imperative by the deposit banks, to withdraw from the banks, which were discontinued, the public money on deposit at the time of their discontinuance. The performance of this duty involved greater


~~was~~ rendered impossible. The laws which have been before referred to, the resolution of 1816 being included, limited the power as well as discretion of the Secretary of the Treasury as to the currency or media of payment he was at liberty to receive from the banks or from any other public debtors; and neither that resolution, nor any of the other laws, *permitted* him to take in payments to the United States the notes of any bank which did *not* pay its notes, on demand, in the legal currency of the United States; while another existing law, which will be hereafter referred to, expressly prohibited him from paying out such notes. The suspension of specie payments by the banks was extended, as well to their public and private deposits as to their notes, and they, therefore, would not answer the drafts of the Treasurer in any currency or medium which the law permitted him either to receive or disburse. The drafts of the Treasurer for the moneys held on deposit by the banks, at the time of their discontinuance as depositories, were consequently protested for non-payment and returned, and little or nothing was realized, from the means on hand at the time of the suspension, to meet the current expenses of the government. To a very great extent, and from the operation of the same causes, the accruing revenue was cut off, and the public treasury threatened to be left wholly without means to meet the calls upon it. The notes of the non-specie-paying banks could not be received in payment of the revenue from customs; and as the merchants could not, when their bonds fell due, obtain specie from the banks, either for the bank-notes or for their own private deposits, they could not make payment, and the bonds lay over unpaid. It is true the revenue from the public lands had been, for some months, collectible in specie only, except the few payments in Virginia land scrip; but the suspension by the banks put it out of the power of those wishing to purchase lands to obtain specie to so great an extent as to render this resource wholly inadequate to the supply of the treasury.

“Under these circumstances the President issued his proclamation to convene Congress on the first Monday of September last. In the meantime the debtor banks and debtor merchants were in the hands of the executive officers of the government,

and, until Congress interposed, were subject to the treatment which those officers should choose to extend toward defaulting debtors. Did they meet a spirit of hostility? Was a warlike course of measures adopted? Did they find a disposition to exterminate manifested in the lenity and forbearance extended, certainly without law, if not against law? No such charge or pretense, from the parties interested, has reached the committee, and certain it is that no foundation for either exists in the true history of the events.

“Next in the order of time came the message of the President, communicated to Congress at the commencement of the extra session, and in this, and the annual message of December last, are supposed to be found recommendations by which to sustain this charge of hostility against the State banks.

“What are these recommendations in substance? As the committee recollect and understand them, they are that the connection which had existed between the government and the State banks for the time, to the extent and in the manner before related, which had become dissolved by the action of the banks themselves and which had proved so disastrous to both during its continuance, should not be renewed; that thereafter the money of the people should be kept and disbursed by the servants of the people, and not by the officers of private incorporations; in short, that a system for the management of the finances of the country, substantially similar to that forced upon the government by the suspension of the banks, should be adopted. What, then, is that system? The committee believe they can answer truly that, so far as the State banks are concerned, it is a system in its general outline and action very similar to that prescribed and practiced upon by the Bank of the United States, ameliorated by the absence of that fearful rivalry in the business of banking which constituted the most prominent feature of that overshadowing institution; ameliorated in some other, to State institutions, important features, and merely transferring the agency for the treasury from an incorporated bank to public officers selected and appointed according to the provisions of the Constitution and the law, and responsible to the people and the regularly constituted tribunals of the country for their faithful-



ness in their trusts. A very brief analysis of the two systems, comparing the one with the other at each step of the process, will illustrate this position of the committee.

“The system recommended by the President proposes to make public officers, at the points required, the fiscal agents of the treasury, and not the State banks.

“The charter of the Bank of the United States made it and its branches the fiscal agents of the treasury, and not the State banks.

“The system recommended by the President proposes that the public officers to whom the duty shall be assigned by law shall be the depositaries of the public money, and shall receive, keep and disburse the same, and not the State banks.

“The charter of the bank made it and its branches the depositaries of the public money and the agents of the treasury to receive, keep and disburse the same, and not the State banks.

“The system recommended by the President necessarily excludes all use of the public money and all business by the fiscal agents of the treasury which can come in competition with the business of the State banks.

“The system established in and under the bank created expressly a competitor too powerful for the State banks without any portion of the public patronage, and then threw into its lap the whole pecuniary patronage of the government, thus placing the State banks entirely at its mercy.

“The system recommended by the President does not propose so to legalize any bank-notes as a currency as to make them a tender in payment of debts at the treasury.

“The charter of the bank made all its notes ‘payable on demand’ a tender in payment of debts at the treasury, but did not give that preference to similar notes of the State banks.

“The operation of the system recommended by the President would be to disburse, in payments to the public creditors, any notes of the State banks which should at any time be allowed to be received, and the disbursement of which the existing laws and the choice secured to creditors should authorize.

“The practice of the bank was to disburse no bank-notes but its own, and to present all the State bank-notes it received in

payment of the revenue, at least once in every week, to be redeemed with specie; and to receive no State bank-notes in such payments except those of the banks located at the places where the bank and its branches were located.

“These points of comparison might be carried further, but the committee trust the above are sufficient for their purpose. The charge they are considering is that of hostility on the part of the government against the State banks, as drawn from the recommendations of the President. These recommendations have, under the imposing appellation of the ‘sub-treasury scheme,’ been made to occupy a large share of the attention of the country, and to excite the deep alarm of a great proportion of those interested in the State banking institutions. It is not to be disguised that the strongest charges of hostility have come from those who are friendly to the system of a national bank for the management of our finances; and hence the committee have believed it fair to institute this comparison, so far as the influence of either upon the State banks is concerned, between that and the system recommended by the President. Can the friends of the former claim a superiority for their system in the benefits conferred upon the local banking institutions? Can they claim superior exemptions from the checks and deprivations which those institutions are to experience under either system? Let the comparison answer.

“In reference to any benefits anticipated from financial agencies proceeding from the treasury, both systems are equal to the State banks. Both deprive them wholly of those benefits.

“In reference to the benefits derived from the deposit and use of the public money, both systems are equal to the State banks, for both deprive them of those benefits.

“In reference to the embarrassments proceeding from competition, the system recommended by the President is wholly favorable to the State banks. It constitutes no rival and prevents all rivalry growing out of an exclusive use of the public money. The national bank system has for its principal object the creation of a commanding and an all-powerful rival, and proposes to give it the sole and exclusive benefit of the use of the public money.

“In reference to the benefits derivable from a bank circulation

growing out of the management of the public finances, the system recommended by the President is also wholly favorable to the State institutions, as compared with the other. If no bank-notes be received in payment of the public revenue or disbursed to the public creditors under this system, it will then be exactly equal in its operation upon the State banks with the national bank system; as, while the notes of the bank, under the latter system, are to be made a legal tender in payment of the public revenue, it is to receive in such payments the notes of no State banks which are not at its door and cannot be presented 'at least once in every week' to be redeemed with specie, a nominal favor which can be of no practical value, and may, at periods of embarrassment, be a serious injury to the State banks whose notes are received for such a purpose. So far as disbursements are concerned the two systems must, upon this hypothesis, be always equal to the State banks. If, however, Congress shall permit, to any extent or for any period of time, the receipt or disbursement, or both, of bank-notes in the management of the public revenues, the State banks, under the system recommended by the President, would have all the benefits to be derived from such permission; while the whole benefits would be exclusively confined to the national bank under that system, the disbursements being always confined to its own notes.

"Is the government, then, justly chargeable with hostility to the State banks, because the President has recommended such a system of finance for the approbation of Congress? Can such a charge come with propriety from the friends of a national bank? The State institutions survived and prospered under the national bank system. Surely, then, under one so very similar in many of its features, and so greatly ameliorated in others so far as its action upon them is concerned, they cannot be exterminated; nor can it be said with reason or fairness that a system so ameliorated toward them has been devised for their destruction or recommended from an unfriendly spirit toward them.

"What is required at the hands of Congress to rebut this unfounded presumption of hostility? To make the notes of the eight or nine hundred banks of the country a legal tender so fast as those banks shall resume specie payments. Sweeping remedy,

truly, for an imaginary disease! The Congress of the United States is asked to change its whole policy, to abandon the hope of extending and rendering stable and firm a specie basis for the paper currency of the country, to throw away the occasion now offered when coin is flowing into our ports, and to adopt and legalize bank paper as the standard of currency for the national treasury—and for what? Simply to rebut the suspicion that the government is hostile to the banks.

“It may be said that the passage of this clause of the resolution is not made desirable by this cause singly, but that the inducement it will hold out to the banks to resume specie payments renders its passage proper and expedient. That a return to specie payments by the State banks is desirable and important to every interest, public and private, the committee know and feel; but can it be safe or proper for Congress to pass a law which, so far as its action can go, shall make the currency of the country exclusively paper, as an inducement to the banks to pay specie—or rather to agree to pay specie—when specie will be no longer demanded? Is it incumbent upon Congress so to legislate as necessarily to drive all specie from the country, by interposing a legal substitute of bank paper, as a means of enabling the banks to pay specie? Will the Senate go further in holding out inducements to produce a return to specie payments, by way of indorsing the paper of the banks, than the States which have created them will consent to go? The committee believe that some of the States have made the notes of such of their banks receivable, by law, at the State treasury, as are owned in part or principally by the State itself; thus doing in this respect what Congress did do in reference to the two Banks of the United States. But it is not believed that any State has made the notes of its banks in which the State has no interest a legal tender in payment of debts due to itself, and yet most of the States have legislated with express reference to their banking institutions since the suspension of specie payments in May, 1837.

“Another argument urged for the adoption of this provision is, that the times require the extension of unusual favor toward the banks. The committee have reviewed the condition of our monetary affairs in 1816, immediately after the close of the late war

with Great Britain, and also the extreme indulgence which Congress could then be brought to extend to the State banks of that day; and will it be pretended that the State banks now present stronger claims upon the patronage and favor and indulgence of this government than did those of 1816? There is a wide and marked difference in the relations existing between the government of the United States and the banks in 1816 and at the present time. Then the principal embarrassments of the banks were brought upon them by their advances to the government to assist it through the war, which money the government could not pay. Now, the principal embarrassments of the government are brought upon it by having advanced money to the banks for safe-keeping, which they cannot pay. Still, in 1816, if the construction of the resolution of that year, as given by the committee, be correct, Congress would only *permit* the reception of the notes of the banks at the treasury, at the option of the fiscal officers of the government, after they should have resumed specie payment. If Congress is not disposed to go further now to favor the banks than it went then, it is sufficient to say that the resolution then passed is still in force, and as applicable to banking institutions now as it was then if they will bring themselves within its provisions; and to allay all cause of apprehension upon the subject, either as to the understanding of the collecting officers of the government or as to the exercise of their discretion under that resolution, it is proper to state that information has already reached this city that, in a few commercial towns where a resumption is known to have taken place, the notes of the resuming banks are freely received in payment of duties, postages and all other public dues.

“Is it desirable, for any purpose, that a wider circulation should be given to the notes of these specie-paying banks by the action of this government; that they should be made a legal tender in the payment of debts to the United States in all parts of the Union? The committee think this is not desirable and would not be useful to the banks themselves, and they are certain it would be eminently hazardous to the treasury to give them that currency. It would almost certainly lead again to dangerous expansions on the part of the banks, and to a repeti-

tion of the present scenes of revulsion, and depression; and were these scenes again to be repeated, a law, the government might not escape.

"Take an instance as an illustration. The government is to have become perfect, and that the banks are to have the public confidence, and are all believing in the provision of the resolution then acts upon the banks as a force of law, and compels their receipt of the currency of the United States. Some one, among the many who are in the hands of bad and unprincipled managers, is employed in the purchase of the public lands, and is done but to fill up and sign a sufficient number of certificates to present them simultaneously at the various sales, before the fraud can be discovered or corrected. The public domain may be received in this manner even to the last acre open for sale. The government is aware, is supposing an extreme case; but it is to the mind, that the facility with which frauds are committed is similar in character but less in extent, is so extensive is the public domain, and so many are the notes to be made a legal tender, that all must see the strongest grounds for opposing such a system. In the other great branch of the customs, frauds of this character cannot be carried on with the aid of so much real capital as to afford a check against them. The goods must be purchased with real capital, where capital or solid credit only will be accepted; while paper will merely pay the duties; while in the purchase of lands there is no other limit than the quantity of the land, a legal tender, or the quantity of the land.

"In every aspect in which the committee view this subject they see nothing but evil, and in the passage of this part of the resolution they see evil to the currency generally, and evil to the government. They therefore most earnestly hope it may be rejected by the action of Congress.

"The third clause of the resolution, concerning the bank-notes, is in the following

“ ‘ And (the bank-notes made receivable and received) shall be subsequently disbursed, in a course of public expenditure, to all public creditors who are willing to receive them.’

“ This part of the resolution has, at least, the merit of being new, and is not, like both the other portions, a repetition of any previous action of the Senate during its present session. So far as the observation of the committee has extended, it can claim greater novelty, as they have not found any previous proposition made to Congress to *compel* the *disbursement* of bank-notes in payment of the public dues. On the contrary, they have found numerous propositions and several laws to restrain, limit, and even prohibit disbursements in such a medium.

“ If the former clause of the resolution should be rejected, the committee suppose this would fall with it, as they are not prepared to expect that any will urge a compulsory provision for making the public disbursements in bank paper more broad than the provisions of law for the reception of the same paper. Such is not the character of the proposition, as it stands in the resolution, and the Senate will not certainly be inclined, by any action on its part, to give it that character.

“ Upon the supposition, however, that both of the clauses should pass, and become a part of the law regulating the collection and disbursement of the public revenue, the action of the latter upon the treasury and the public disbursements deserves some notice.

“ If the committee understand the fair construction and effect of this last clause, it would be a positive prohibition upon the fiscal officers against presenting for payment in coin, at the bank which issued it, any bank-note, received in conformity with the requirements of the second clause, until that note had been first offered in payment to some public creditor, and that creditor had refused, or expressed his unwillingness to receive it. If this be the true construction of the provision, and the committee are unable to discover how the terms used, and the connection in which they are used, can admit of any other, then it appears to them that the inconvenient consequences they will proceed to name must follow.

“ Take the disbursements in our Indian department, and sup-

pose the revenue to be disbursed is paid in bank paper, as it will be very certain to be when all the bank paper of the country shall be made a tender in payment of debts at the treasury. The annuities are to be paid to the Indians residing in the Indian territory west of the Mississippi. The means of payment consist of that variety of bank paper which would, under such a system of finance, compose the ordinary receipts at the treasury. The agent, to make the payment, must take the paper, go to the Indian country, offer his bank paper to the proper individuals of each tribe or band, meet their refusal to receive it, as he certainly would if the Indians were left free to act, and then do what? Either return to the settlements and sell the notes for the best price they will command in coin, or seek out among the States the various banks whose notes he holds, present them at their counters for payment in coin, and make a second journey to the Indian territory.

“Take, again, the disbursements to the army. The principal part of it is always at remote frontier stations. The funds to pay the troops are, like all the other revenues, collected in indiscriminate bank paper. The paymaster is fitted out as was the Indian agent, in the supposed case, and, were the soldier to have really his free choice, would be quite as certain to meet with the same refusal to receive the paper. In that event his course would, from necessity, be the same which has been pointed out for the agent.

“Take the disbursements in the naval service, and how are a portion of them to be made, without an actual violation of the spirit of this provision? At the navy yard, upon the vessels in port, and the like, the notes might be offered or paid, as in the former cases, but they certainly could not be transported, as means, abroad to sustain the vessel and crew upon a foreign station, and the necessity of the case would compel the fiscal officers to presume a refusal, to enable them to convert the notes into current means.

“These are but a few of the vast number of cases where similar difficulties would be met with; and, under those which have been enumerated, how much freedom of choice is it likely would be left to the public creditors? Take the Indian, and who does

not know that the agent, situated as in the supposed case, would give him at once to understand that he *must* take the paper, or wait his (the agent's) pleasure for the specie? And who does not also know that this, to the Indian's feelings and wants, would be equivalent to saying he must take the paper or nothing, and would speedily convert him into *a public creditor, willing to receive the paper?*

“So with the soldier upon a remote station. His small wages and numerous wants render the periodical rounds of the paymaster much less frequent than would be desirable to him, even if there be no question about his pay when those periods arrive; but let the paymaster offer him bank-notes, and tell him, if he decline to take them, he must wait until it shall be his (the paymaster's) duty to visit the post again, and how will he choose, or, rather, what choice will he have? The compulsion of debts and want must decide the question, and he too become a public creditor, willing to take the paper.

“So with the sailor, with the laborers at the navy yards, and indeed in all branches of the public service. Let the true test be applied. Let the paying agents be sent with gold or silver and paper. Let them offer each, and ask for the choice, and then these public creditors, the classes most strongly appealing to Congress for protection, will be free to choose. And who doubts how they will choose under such circumstances? The large creditors, the banks, the merchants and the principal contractors, may have the choice under such disbursing regulations, because they may have the means and ability to wait until the consequences of their refusal to take the paper can be obviated by its conversion; but to them this choice is of little moment in the comparison, as they are engaged in business, and located at points where the paper, if really that of sound specie-paying banks, may be converted into coin by themselves without material delay or loss. They, too, are judges of the paper, and can gain the required information as to the soundness of the banks, and may therefore make their selections from the paper offered. Not so the Indian in the wilderness, the soldier at the frontier post, the sailor in service, or the common laborers upon the public works, and hence they can have no choice, in fact, unless the gold

or silver be presented to them, with the paper, and they be permitted to make the choice between them on the spot. This provision, as to them, would, in the judgment of the committee, operate to make the paper a tender in payment of their dues from the government; a forced tender it is true, but none the less a tender in practice.

“If the construction which the committee give to this provision be correct, it must have the following dangerous operation upon the treasury: The paper cannot be converted into coin until it has been offered to a public creditor and declined. If, then, the receipts into the treasury be more than are required for disbursement, it would seem to be a necessary consequence that the excess, whatever it may be, and by whomsoever kept, must be kept in bank-notes. It cannot be offered to a public creditor, because there is no public creditor, in the supposed case, to whom to offer it. It is an excess beyond the amount of money required for the payment of all the public creditors. In this respect, the provision will have the effect to repeal the second article of the fourth section of the deposit law of 1836, so far as credits to the Treasurer of the United States are concerned, in case the banks are to be again made the depositories of the public money. This section prescribes the terms upon which the banks are to receive the public money, and the first clause of the second article is in these words:

“Secondly. *‘To credit as specie all sums deposited therein to the credit of the Treasurer of the United States,’* etc.; and it would surely be a contradiction to require that to be credited *‘as specie’* which the law requires should be kept and disbursed *in paper*. The effect upon the treasury and the banks of requiring the revenues, and especially such surpluses as may from time to time exist, to be kept in paper, is too palpable to make it the duty of the committee to comment upon it. The risk to the public funds would be that which exists between laying up for preservation specie and bank-notes, and the necessary effect upon the banks would be to induce an expansion equal to the amount of their notes known to be locked up for safe-keeping in the depositories of the government.

“This provision of the resolution, also, if passed, must repeal

the second section of the act entitled 'An act making appropriations for the payment of Revolutionary and other pensioners of the United States, for the year one thousand eight hundred and thirty-six,' passed on the 14th day of April, 1836. That section is in the words following:

" 'SEC. 2. *And be it further enacted*, That, hereafter, no bank-note of a less denomination than ten dollars, and that from and after the third day of March, Anno Domini eighteen hundred and thirty-seven, no bank-note of a less denomination than twenty dollars, shall be offered in payment, in any case whatsoever in which money is to be paid by the United States or the Post-office department; nor shall any bank-note, of any denomination, be so offered, unless the same shall be payable, and paid on demand, in gold or silver coin, at the place where issued, and which shall not be equivalent to specie at the place where offered, and convertible into gold or silver upon the spot, at the will of the holder, and without delay or loss to him; *provided*, that nothing herein contained shall be construed to make anything but gold or silver a legal tender by any individual, or by the United States.'

"If the second and third clauses of the resolution be read together, and the connection between them marked, it will be seen that the third must be understood to require the disbursement of any bank-notes which the second permits to be received. The last clause of the fifth section of the deposit law of 1836 prohibits the receipt, in the collection of the revenue, of any bank-note of a less denomination than five dollars. It may, perhaps, be fairly questioned whether the second clause of the resolution should not be so construed as to repeal this prohibition of the deposit law, and compel the receipt of all notes, of any denomination, which any 'sound bank' shall issue and make payable, and pay on demand, in the legal currency of the United States; but, without raising that question, that clause undoubtedly authorizes and compels the receipt of all notes of denominations not prohibited by that section of the deposit act, and consequently the third clause must repeal the first part of the section above quoted from the pension act, confining the disbursements to notes of higher denominations. The second provision of that section cannot stand, because this third clause of the resolution compels the *offering* of bank-notes, at all places, and in payment of all public creditors, without regard to the limitations there imposed and prescribed. This covers and repeals the whole section, except the proviso; and besides the consideration that it falls with the

section, if the views entertained by the committee, as before expressed, be correct, this resolution will so operate as to make bank-notes, in effect, 'a legal tender' by as well as to the 'United States.'

"The committee will close this report by saying that, up to this time, Congress has seemed to suppose that the tendency to use bank paper in payments *from* the United States was sufficiently strong, without either its encouragement or compulsion; and that the safety of the public treasure, and the necessities as well as convenience of the public disbursements, required that the Treasurer and his fiscal agents should have the power, at pleasure, to convert the bank-notes received in the collections of the public revenue into coin. This has ever been the power possessed by those officers, as well in reference to the notes of the two Banks of the United States, the receipt of which at the treasury was compulsory, as to the notes of the State banks, the receipt of which was merely permissive. Hence the Bank of the United States adopted and pursued the system of converting into coin, 'at least once every week,' all the notes of State banks received by it in payments of the revenue of the United States. This practice was approved and applauded in that bank, as adding to the security of the public treasure and imposing a healthful and salutary check upon the local banks. Will not the same good results follow from a precisely similar practice on the part of the Treasurer of the United States, and any other fiscal agents of the treasury which the law may appoint? Can the same act, performed by a national bank, be useful and salutary, and, performed by an officer of the government, be evil and mischievous, and require interdiction by law? Would the public treasure, in the shape of State bank-notes, be unsafe in the keeping of a national bank, and therefore require the weekly conversion of those notes into coin? And will that same treasure, in the same shape, be safe in the keeping of the State banks themselves, or in that of public officers, so as to require a prohibition against its conversion to coin, and to force its disbursement in paper in payment of the debts of the government? These questions seem to the committee to admit of but one answer, and that answer, in substance, is, that this part of the resolution ought not to become a law."

CHAPTER LXXIII.

REPORT ON THE FINANCES OF THE GOVERNMENT.

The Senate, on the thirty-first of May, directed the Committee on Finance to take into consideration certain provisions of the deposit act of 1836, and report thereon. That committee, by Mr. WRIGHT, its chairman, made the following report on the 8th of June, 1838 :

“ The Committee on Finance, to which was referred the resolution of the Senate of the thirty-first ultimo, directing certain inquiries as to various provisions of an act entitled ‘An act to regulate the deposits of the public money,’ passed on the 23d day of June, 1836, respectfully report :

“ The resolution *instructs* the committee ‘to take into consideration the act of the 23d of June, 1836, entitled “An act to regulate the deposits of the public money,”’ and to make inquiry upon these points, viz. :

“ ‘ *First.* Whether, according to the provisions of that act, it is now competent for the Secretary of the Treasury to employ any bank which has heretofore been selected as a public depository, and which, since the passage of that act, has suspended specie payments.’

“ The committee have examined the act with attention, and find that, all other objections being obviated, it is competent for the Secretary of the Treasury to employ, as a public depository, any bank which has heretofore been selected for that service, ‘and which, since the passage of that act, has suspended specie payments.’ The eighth section of the deposit act prohibits the Secretary of the Treasury from discontinuing any deposit bank, and from withdrawing the public money therefrom, except for certain enumerated causes, one of which is in the following words:

“ ‘ Or if any of said banks shall, at any time, refuse to pay its own notes in specie, if demanded.’

“ Upon this cause being presented, it is made the express duty

of the Secretary, by the same section of any such bank as a depository, and with moneys which it may hold on deposit at tinuance ;' but when the bank shall ha payments, nothing is found in this langu lection as a public depository.

"The fourth section of the act sets c tions upon which the banks shall agr moneys before they shall be employed as of these terms is prescribed in the follow

" '*Secondly.* To credit as specie all sums de of the Treasurer of the United States, and to drafts, drawn on such deposits, in specie, if req

"The breach of this condition on the be a refusal to pay its depositors in sp suspension, to that extent, of specie pay the Secretary of the Treasury to discon and to withdraw the public money from tive by the language of the eighth sect which assigns, as another cause of discont that 'at any time any one of said banks s form any of said duties, as prescribed by to be performed by its contract.'

"This contingency, therefore, like the : the bank its character as a depository for forfeit the existing contract and render the withdrawal of the public money fro but the committee see nothing in either a second contract with the same bank resume specie payments, again consent specie, if demanded,' and again 'pay drafts drawn on the public deposits in s holders thereof.' They find no provision act interdicting a second contract with t first shall have been terminated for eit they therefore express their opinion ths for the Secretary of the Treasury to emp heretofore been selected as a public dep

the passage of that act, has suspended specie payments;’ there being no other obstacle in the way of such second employment than the act of suspension of specie payments.

“The next point to which the resolution directs the inquiry of the committee is in the following words:

“ ‘*Second.* Or which has, since the 4th day of July, 1836, paid out notes or bills of a less denomination than five dollars.’

“To cause the inquiry to be clearly understood it is necessary to connect the preceding language with the words above quoted, and the inquiry will be *whether, according to the provisions of that act* (the deposit law of 1836), *it is now competent for the Secretary of the Treasury to employ any bank which has, since the 4th day of July, 1836, paid out notes or bills of a less denomination than five dollars.*

“In answer to this inquiry, the committee find the two first clauses of the fifth section of the act to be in the following words:

“ ‘*SEC. 5. And be it further enacted, That no bank shall be selected or continued, as a place of deposit of the public money, which shall not redeem its notes and bills, on demand, in specie; nor shall any bank be selected or continued, as aforesaid, which shall, after the fourth day of July, in the year one thousand eight hundred and thirty-six, issue or pay out any note or bill of a less denomination than five dollars.*’

“The last of these clauses meets and answers the inquiry directly, and shows that it is not competent for the Secretary of the Treasury, under this act, now to employ as a public depository any bank which has, since the 4th day of July, 1836, either *issued* or *paid out* notes or bills of a less denomination than five dollars; while the first clause interdicts the selection or continuance, at any time and under any circumstances, of any bank ‘which shall not redeem its notes and bills, on demand, in specie.’

“These two points of the inquiry seem to the committee to assume the expediency of a course of legislation which shall revive and introduce again into practice the deposit system established by the act of 1836, as the system upon which the public money is to be kept and disbursed. Under this supposition, the opinion of the committee as to the first inquiry does not indicate the necessity of further legislation; while the plain and

unquestioned construction of the act as to the second compels an answer which, to the minds of those who desire the reintroduction of that system, may seem to point out such a necessity.

"Not so with the majority of the committee. While left by the Senate to the free exercise of their own opinions, they cannot recommend any legislation the effect of which will be to reunite the public treasury and the banks, by a return of the public treasure to the uses of banking; to stimulate and compel the banks to discount upon the public money, by exacting from them an interest for its use; to promote an expansion in the paper issues of the banks, exactly proportioned to the fertility of the public revenues, and a correspondent embarrassment of the public treasury, when a sterility of revenue shall call for the public money which has passed into the hands of the customers of the banks. Such, they believe, have been the effects of the system of deposits, the revival of which the resolution seems to contemplate. That system compelled the deposit of all the public money in banks; it placed it in those institutions upon general deposit, and thus made it, in fact and in law, the money of the banks and not the money of the people; it not only held out an inducement to the banks to use the money for the purposes of discount and banking, but in this way gave them the right so to use it, in defiance of the popular will and of the public authorities; it went further, and compelled them to convert it to some profitable employment, by demanding interest from them while it was in their keeping. Time and experience have shown the consequences of such a policy, and, were there no other reason, these consequences would forbid the committee from recommending any legislation calculated or intended to revive that system.

"The action of the Senate, however, appears to them equally to stand in the way of any such recommendation. A special convocation of Congress, in September last, was a necessity imposed by the failure of this system of deposits, and the embarrassments to the public treasury thereby occasioned. Recommendations for the keeping and management of the public money, without the aid of the banks, and especially for a permanent separation between the treasure of the people and the business of banking, were then laid before Congress by the President. These

recommendations were deliberately and definitively acted upon and adopted by the Senate, but failed to receive the assent of the other branch of Congress. At the commencement of the present session the same recommendations, substantially, were renewed, and again the Senate has, after long deliberation and debate, adopted them, in the shape of a bill, and thus sent them to the House for its concurrence. If that bill shall become a law, the whole deposit system, recognized and legalized by the deposit act of 1836, will be superseded. Will the Senate, then, by its own action, supersede its own bill? Will it, in the absence of all information as to what may be the fate of that measure in the co-ordinate branch of the Legislature, or rather with the knowledge that it has not yet been considered there, send another bill upon the same general subject, based upon adverse principles?

“The committee can only repeat, what they have found it to be their duty to say upon a kindred branch of this subject, that whether such duplicate action, by the same legislative body, be consistent with established parliamentary law, with the economy of legislation, or with the uniformity of decisions which should characterize all deliberative bodies, are questions which properly address themselves to the Senate and not to them; but upon the merits of the propositions they must be permitted to feel entire confidence that no sufficient reasons for a change of opinion or action can be presented.

“The remaining inquiry embraced in the resolution is in the following words :

“ ‘ *Third.* And also to inquire into the expediency of repealing or modifying those provisions of the said act which prohibit the receipt, in payment of debts and dues to the United States, of the bills of all banks which issue bills of less denomination than five dollars.’

“This inquiry relates to the last clause of the fifth section of the act, which reads as follows :

“ ‘ Nor shall the notes or bills of any bank be received, in payment of any debt due to the United States, which shall, after the said fourth day of July, in the year one thousand eight hundred and thirty-six, issue any note or bill of a less denomination than five dollars.’

“This provision of the law of 1836 was inserted in furtherance of a policy some years since adopted by Congress, as will be seen

by the eighth section of the proposed recharter of the Bank of the United States of the year of 1832, which reserved to Congress the power, from and after the 3d of March, 1836, to prohibit that institution from issuing or circulating notes of a less denomination than twenty dollars. That act did not become a law, but this feature of it met the approbation of the two Houses of Congress, while the objections of the then President to the bill made no mention of this provision as exceptionable in his mind. On the contrary, his whole policy, and all his recommendations in relation to the currency, after that date, and especially after the time when the power could have been exercised, favored the policy of this limitation. Various legislation of Congress, in the year 1836, distinctly indicated a determination to adhere to and carry out the policy, and, by limiting the circulation of bank-notes of the smaller denominations, to secure a currency of coin only for the minor transactions of business, for the payment of day laborers, for the change required in pecuniary dealings and the like ; and in this way, also, to give a more broad metallic basis to our whole paper circulation. Many of the States of the Union fell into the policy thus adopted and pursued by this government, and conformed their legislation to the object proposed. It seemed to be universally conceded that these two objects could only be secured by the exclusion of small bank-notes from ordinary circulation ; and all adopted the policy as wise and worthy of pursuit. The powers of this government could effect little, as the paper circulation to be suppressed was that of the notes of banks existing by and acting under State authority ; but what it could do was proposed to be done by the provision of the deposit law above quoted. As a more direct and much more efficient movement, a very general and vigorous effort was made by the States and the people to exclude from circulation bank-notes of a less denomination than five dollars ; and several States, whose banks had, theretofore, been authorized to issue notes of the denominations of one, two and three dollars, took from them that authority, while the banks of several other States had either never possessed that authority or had been deprived of it at a previous period. The progress in this attempted reform of the currency was materially retarded by the fact that all the States

did not enter into and act upon it, so as to restrain the issue of small notes by their banks, and that the banks of the British provinces upon our north-western boundary continued to issue small notes, which found a more or less extended circulation in the contiguous States of the Union. Still, the advance toward an entire metallic circulation for all sums below five dollars was as rapid as, in the then situation of the country and banks, could reasonably have been expected; and additional States were taking measures for the gradual exclusion of the small notes of their banks, when the suspension of specie payments, with very few exceptions, by all the banks of all the States, in May, 1837, arrested the salutary improvement.

“The suspension was, to every practical extent, perfect. The banks, as a general rule, did not pay specie upon any denomination of their notes or to any class of their creditors. An unavoidable consequence followed. All the coin in circulation, the most of which had been put in circulation by the policy and measures before adverted to, was either gathered into the banks, not to be again given out for the circulating currency of the country, or was hoarded by private holders, to whose minds the suspension had communicated a feeling allied to panic, inclining them to treasure up all they had which was money, precisely in proportion to the diminution of their confidence in the value of that circulating medium which had, theretofore, represented money, but could not do so during the continuance of the entire suspension of specie payments by the banks. Hence, either an absence of any medium for business transactions under five dollars, or the worst of all media which an enlightened public feeling could tolerate, soon became, in many sections of the Union, an evil of the first magnitude, and one against which the interference of the State Legislatures was commandingly invoked. In obedience to calls of this description from a suffering constituency, the Legislatures of several of the States, which had adopted and prosecuted the policy of substituting the circulation of coin for that of small bank-notes in the minor pecuniary transactions of society, felt it to be their duty to retrograde in their action, and again to confer upon their banking institutions the power to issue and the right to circulate notes of the denominations

below five dollars. In some cases this change of policy, in the action of the States, has been made general and unlimited, while in others, as the committee think more wisely and fortunately, it has been made temporary, and adopted with an evident design not to abandon the policy, but to meet the particular grievance, and, that being obviated, to return to those sound measures which, as permanent regulations of law, cannot fail to have a most salutary influence upon our currency generally, and especially upon the interest of the poorer and by far the most numerous classes, in its soundness and reality.

“Still the committee suppose that nearly all the banks in many entire States have, in obedience to and in conformity with this change of policy in the legislative action of the States under whose authority they exist, violated the restriction imposed by the clause of the deposit law of 1836 last above quoted, and thus put it out of the power of the fiscal officers of this government to receive any of their notes in any payment to the United States while that restriction remains in force and without modification. Under such circumstances, the committee are not prepared to say that this provision should be so rigidly adhered to as to perpetuate the exclusion of the notes of these banks from the public receipts, while the notes of other banks, no more safe, are received. Such a rule would not aid the policy which the committee earnestly advocate of giving greater stability to our paper circulation, but would merely establish an invidious discrimination between the different local banking institutions, founded, so far as they can discover, upon no defensible principle. Had these violations of the restriction imposed by the deposit law been entirely voluntary on the part of the banks; had no suspension of specie payments, and no consequent derangement of the whole paper currency intervened, and, even under these pressing inducements, had not the interference of the Legislatures of the States authorized the violations, and, in some cases, at least, rendered the issue of the small notes almost, if not altogether, a duty in the estimation of the surrounding community, the committee would be the last persons to suggest even, much less to recommend, the remission of the penalty which this law of Congress imposes upon the act.

“After what has been said, it will not be expected that the committee will yield to ‘the expediency of *repealing* those provisions of the said act which prohibit the receipt, in payment of debts and dues to the United States, of the bills of all banks which issue bills of less denomination than five dollars.’ This would be to yield the sound and salutary policy which the provisions were designed to carry out; one of the last things in the administration of the affairs of this government which the committee are disposed to surrender. While the benefits of a sound and stable currency are so loudly demanded by all parties and all interests, and while the committee know and feel that a greater infusion of coin into the circulating medium of the country is the safest mode of reaching that great and good result, they cannot become parties, much less agents, in a course of legislation which shall surrender the first step toward a consummation so ardently desired by all. They, therefore, give their opinion against a *repeal* of this provision.

“It remains to consider what modification can properly be adopted to meet the case and not weaken the great principle contended for. That, in the opinion of the committee, is a proposition of easy solution. The legislation of several of the States, to which reference has been made, furnishes a precedent which Congress can safely follow. A postponement, so far, of the operative limitation of the provision, as to relieve the banks from the exclusion caused by former violations; the fixing of another day, beyond which, if they shall again cease to issue notes below the denomination of five dollars, their notes may not be received in payment of the public dues, will effectually cure the evil complained of; place the excluded banks, so far as the legislation of Congress is concerned, upon the same footing with their neighbor institutions, and preserve the policy of the law, in no other respect impaired than as to the time when that policy shall become practice.

“The committee cannot, in justice to their own feelings, fail here to notice that many of the excluded banks have been among the first in the country to resume specie payments; that their issue of notes under the denomination of five dollars was a measure believed, not by those interested in the banks simply, but

by the community within which they are located, to be in direct aid of a speedy resumption by the institutions which made the issues; and that the effect of those issues, under the circumstances of the case and in the then condition of the currency, is still thought to have been salutary upon all interests, public and private. These are circumstances which, as it seems to the committee, cannot escape the attention of Congress in deciding upon the propriety of the suggested modification of this provision of the deposit law of 1836.

“Still, the question is one connecting itself with the general subject of legislation, covered by the bill upon which, as has been before remarked, the Senate has acted, during its present session, and which bill has been, long since, sent to the House of Representatives for the concurrence of that body. When that bill shall be acted upon, the committee believe that an amendment, to the effect they have suggested, will be proper and expedient; and, as they have abundant evidence that the attention of that body has been repeatedly and expressly called to this particular point, they have no reason to doubt that it will receive the required modification there, in case the judgment of the House, upon the propriety of its adoption, shall agree with that which the committee entertain and express.

“They believe it, therefore, inexpedient that any independent proposition to accomplish this object should, at the present time, be originated in or acted upon by the Senate. Should the bill referred to be rejected by the House, or should it be returned to the Senate without the amendment suggested, in either case the modification may be originated and passed as an independent bill, without material consumption of time, in relation to the business of this body, while its adoption by the other, in the manner here suggested, will save the time and forms of independent legislative action. For these reasons the committee return the resolution to the Senate, without any proposition for the *present* action of the body upon any one of its suggestions.”

After a debate, in which Messrs. Webster, Norvell, WRIGHT and Benton, took part, the report was ordered to be printed.

In this discussion Mr. WRIGHT made the following remarks :

"Mr. WRIGHT observed that he was not disposed to excite a debate on this matter, but he could not discharge what he believed to be his duty and fail to reply to some of the remarks of the Senator from Massachusetts. What he had to say would not be in reference to the proposition the gentleman had given notice of his intention to introduce, but in reference to a sort of surprise he expressed that a measure which he referred to, and which, having passed this body, had been sent to the other House and was there pending, would be taken up and acted on. The gentleman spoke of the taking up of this measure and acting on it by the other House as something new and surprising. He knew, Mr. W. said, that there had been an attempt, vast and persevering in its character, to inculcate the belief throughout the country that this measure was ended for the present—or, to use the language of a gentleman on that floor, that it was dead and buried. He was not able to contradict the allegation; but he knew that when it was first made here he expressed his own dissent, and declared that he had never renounced the hope that the other branch of Congress would, before the end of the session, consider and decide on that subject with which the feelings and interests of the country were so closely connected. He had therefore hoped that any movement respecting it would not have been represented here as altogether new and surprising. He knew of no expectations that an effort would be made here to consider that measure. He himself had no intention to make such an effort. He also knew that, by a large number, a disposition had been entertained that it should not be again considered in either House. But it was not right that it should be represented anywhere that that measure was ended and not again to be considered; that to take it up and act on it in the body in which it was pending was new and surprising. If such were the expectations of the Senator from Massachusetts, he had drawn them from a source not known to him, Mr. W. He could not consent to sit by while the Senator was making such allegations without expressing his dissent to them. Again, the Senator told them that within a few weeks the country was springing into new life, that prosperity was returning and business reviving,

but that this administration had started up a measure which had thrown them back again.

"We have seen that measure the subject of constant agitation and unreasonable anxiety, and yet they were told that it was dead and buried, and that the attempt to revive it would produce alarm, embarrassment and distress. It was against such inferences that he was compelled to speak. He had heard it announced from the same quarter that, in consequence of the passage of a measure to which some importance was attached, a resumption of specie payments was soon to commence by the Bank of the United States, and that fact had been announced by their great ally himself. Was that ally to recede so soon from his purpose, and that, too, in consequence of the apprehended attempt of this administration to revive the independent treasury bill? If this proclamation is not to be carried into effect, was it intended to lay the blame at our door? The Senator knew that all those who advocated and supported this independent treasury bill here had never abandoned it, and he should not be surprised that they still advocate it, and represent them as bringing up as something new that which had been consigned to the tomb. He ought not to represent it as consigned to the tomb till it really is so. At present, said Mr. W., we do not agree that it is.

"Mr. WRIGHT understood now the difference between the Senator and himself. It was not here, then, that the impression existed that an attempt would not be made to take up the measure pending in the other House, but the impression existed abroad. He did not know but that strong efforts had been made to produce that impression; but in a paper of the opposition where he had seen it declared that the measure was dead and buried, and could not succeed, he had also seen the declaration that it would pass. Now he did not know but this last declaration was a better move than the other, or whether both were not made for the purpose of producing a conviction on the public mind unfavorable to the measure. But the Senator knew that when the vote to which he alluded was taken, in the other House, that the House was thin — that there were some twenty or thirty members absent. The Senator knew, also, as well as he did, that from that time to this there had been a strong controversy in the public mind as to what would be its ultimate fate."

CHAPTER LXXIV.

POSTPONEMENT OF THE FOURTH INSTALLMENT OF THE
DISTRIBUTION.

The first postponement of the fourth installment under the distribution act was to the 1st of January, 1839. Soon after the meeting of Congress, on the first Monday in December, 1838, the Secretary of the Treasury sent a communication to Congress on the subject of this installment, which was referred to the Committee on Finance. As chairman of this committee, on the thirteenth of December, Mr. WRIGHT made a report in favor of an indefinite postponement. Mr. Clay desired to amend the bill presented by Mr. WRIGHT to postpone the payment only to the 1st of January, 1840, upon which a discussion arose, in which Mr. WRIGHT participated and said :

“Mr. WRIGHT observed that he was not then disposed to occupy the time of the Senate by discussing the subject of this bill. The committee had reported it with a view to the state of the treasury, as indicated by the Secretary in his annual report. That exhibit showed that by the first of January there would be no money in the treasury for the payment of this fourth installment, and there was no anticipation of that officer that there would be any moneys for the purpose by the first of January thereafter. The committee believed as he did, that the time had arrived when the treasury had parted with all the money that it could spare, and carry on the operations of the government, without calling on the States for the repayment of the installments they had already received. He knew of nothing which promised that the treasury would be able to spare this money by the 1st of January, 1840, and therefore must oppose the amendment. Having made this explanation, he would content himself with asking for the yeas and nays on the question.

“After a brief discussion of the subject Mr. WRIGHT replied that it was not his intention now to enter into a discussion of the lamentable defalcations which had lately come to light. He had not the information to enable him to speak to that body intelligently on this subject. All he knew in regard to them was derived from glancing at the very voluminous report of the Secretary, which had been ordered to be printed, and which was not yet laid upon their tables. He was as much devoid of information on the subject as the Senator who last addressed them. But this much he would say, that if this matter was not thoroughly understood by Congress and by the whole country, before the close of the session, it would not be his fault. It was his fixed purpose to have a thorough investigation of the whole subject, and to let his constituents know the whole truth. Then, as to the bill before them, it was not his purpose to hold out to the States expectations that he did not believe could be realized. In September last the Committee on Finance proposed the same postponement of this installment, and on the same terms that they now did. For himself, he thought that the time had gone by when they were authorized to hold out any expectations to the States from a surplus in the treasury, though, at the same time, he agreed that he had no power to look forward and say precisely what would be the condition of the treasury at the end of another year. He had no information which enabled him to say that this installment could be met on the 1st January, 1840, easier than it now could.

“Mr. WRIGHT, in reply to Mr. Clay and Mr. Tallmadge, said that with regard to the bill, the Committee on Finance, so far as he was aware, had, in reporting it, conformed to what they believed to be the views of a very large majority of the Senate. He would now frankly answer the question asked by the gentleman from Kentucky. If the bill, as reported, should be passed by that body, the gentleman must never expect him to vote for the payment of this fourth installment, should the question ever come up. He voted against the whole bill when it was first before them, and he was equally opposed to the principle that it contained now. Though he impeached the motives of no man who differed with him in opinion, he had changed no opinion that he

held when the subject was first brought before them, and, if called on to make this distribution, he never could give his consent to do it. He hoped the Senator considered himself answered; for, so far as he was concerned, he had given him an answer. He had remarked that the committee felt bound, in reporting this bill, to act with regard to the known opinions of a majority of that body; and he hoped that, so long as he continued a member of it, they would always be disposed to frame their bills in conformity with the known sense of the body, so far as their sense of duty could conform to it. These were the feelings which had always governed him; and it was in accordance with them that he had reported the bills of this and the last session on the subject before them. The Senate had changed the bill of the last session, and they could do so now. The Senator from Kentucky asked, again and again, if they were afraid to trust Congress. Why, if this bill passed as reported, would it not be in the power of Congress to repeal it? Even if the bill passed, what was a law of Congress against Congress itself? But, said Mr. W., we propose to delay the payment at our own pleasure; and the terms of the amendment were to delay it till the 1st of January, 1840. Now, was there any one present who believed that there would be money in the treasury to pay this installment by that time? Not only was there no money to pay this installment now, but every one believed that there would not be any by the 1st of January, 1840. This was the true state of the case, and on it he was contented to rest the question."

The debate closed on the seventeenth, and Mr. Clay's proposed amendment was voted down by 26 to 17, and the bill was ordered to be engrossed for a third reading without a division. We find no record of any action of the House on the bill at this session.

CHAPTER LX

MR. RIVES' RESOLUTION

Those who took sides with the administration, made the financial affairs the principal ground. Popular belief was that Mr. Rives, Tallmadge, of New York, among others, had their jealousy exhibited in public favor manifested to Mr. Wright, and that they entered by-path to get ahead of them; but, in doing so, wandered from the true path intended to return, and became lost in the service with its combatants. They joined the democratic ranks and joined the ranks of those with whom they were to serve.

On the 19th of December, 1838, a resolution making a most extensive retraction of the Treasury for information except to enable him to open the administration for not deserting and conforming to those of the whigs of the Senate, this resolution must be considered and discussed, and agreed upon before it could be acted upon. Mr. Rives opened the debate on the administration and its friends responded in his usual calm, dignified manner:

“Mr. WRIGHT said the Senate would not expect him to attempt to reply to so elaborate a speech as that to which they had just listened. He came to his seat with no expectation of such a debate. When the resolutions of the honorable Senator [Mr. Rives] were offered yesterday, they excited in his mind no anticipation that an elaborate and set discussion would be entered upon at this stage of them. They were mere resolutions of inquiry. Their whole apparent object was to obtain facts, to learn the truth of the matters to which they related, and he could not have expected a debate upon the merits until the testimony had been obtained.

“He should not, therefore, attempt to follow the gentleman in his extended remarks, or to reply to any part of his argument. It was his intention to occupy but a few moments of the time of the Senate, and to make but a few observations of an incidental character.


“When the resolutions were offered, their object seemed to be fully and minutely expressed upon their face, and he was glad the honorable Senator had come forward with them. The inquiries were such as he desired might be made and fully answered, but he could not have anticipated that conclusions would be drawn and expressed here, before the facts were known, or that a call for testimony would be made to follow a judgment upon the issue.

“He was as ignorant as the honorable Senator [Mr. Rives] who had spoken with so much warmth, and in terms of such strong censure, as to the nature, or character, or extent of the connection which had been formed between the public treasury and the Pennsylvania Bank, nor was the gentleman more desirous than himself that the truth as to that connection, whatever it might be, should be fully known; that all the facts should be exposed to the view of the whole country; that nothing should be hidden or concealed in relation to it. Hence he was pleased to see the resolutions, and should cheerfully vote for them.

“It was true, he had learned, through the public prints, that the Secretary of the Treasury had, during the vacation, sold one of the bonds held against the Pennsylvania Bank of the United States, which, by a special law passed at the last session of Con-

gress, he was expressly authorized to do. He had also heard through the same channel, and from the same authority, that the sale had been made to the bank itself, to the institution against which the bond was; but the information caused no surprise, no alarm, in his mind, because he supposed that the state of the treasury and the amount of appropriations by Congress were such as to require the sale of at least one of the bonds, to enable the department to pay the public creditors. Neither had the circumstance that the sale had been made to Mr. Biddle's bank, to the institution which owed the debt, given him any apprehension, as he had been confiding enough to believe that the only offer or the best offer to purchase had come from that quarter, and that, for that simple reason, the Secretary had made the sale there. The law compelled the Secretary of the Treasury to get the best price he could command in the market for the bonds, in case he found it necessary to sell them, and prohibited him, in any event, from selling at a price below the par value of the bond. Mr. W. had been credulous enough to believe that the sale was made to the Pennsylvania Bank, because the law compelled the Secretary to sell to that institution, it making the only or the most advantageous offer for the bond placed in the market. It was possible he had been too confiding; but he had believed, when he first heard of the sale, that this was its explanation, and he had not now a doubt that such would prove to be the truth of the case, whenever the Secretary of the Treasury should have an opportunity to answer the inquiries of the Senator.

“If the honorable gentleman did not entertain the same confidence in the executive officers of the government as himself, he could regret the fact, but it gave him no right to complain, nor did he complain that it was so; though, when the Senator had assumed to himself the character of an inquirer after the facts, and then had felt at liberty, before his inquiry was made, to draw inferences and pronounce conclusions of a highly censorious and condemnatory character, which inferences and conclusions could, with justice, only be drawn from the facts to be inquired after, he did feel and must express disappointment and regret. Had it been his case, whatever might have been his feelings toward the executive officers concerned, however much he might



have distrusted their intelligence, or integrity, or official faithfulness, if he had proposed to inquire and to call upon them to answer, he would have allowed them the opportunity to answer, before he would either have censured or condemned ; and he must say that it would have afforded him sincere gratification if the Senator from Virginia had found it consistent with his feelings and sense of duty to have pursued that more just and generous course.

“At the opening of the honorable Senator’s speech, Mr. W. was led to suppose that an opportunity for sincere congratulation was to be afforded to himself and the majority of the Senate. They had long looked upon the dangers and mischiefs attendant upon any connection between the treasury of the nation and banks of any character, as among the most serious and alarming evils which had grown up under the administration of our republican system of government, while the Senator had, heretofore, but too successfully defended that connection. His early remarks seemed to present it now to his mind, charged with such horrible and frightful consequences, that Mr. W. could not but suppose that he and those with whom he had acted were again to have the powerful co-operation of the able Senator in breaking up and eradicating forever that unnatural, improper and vicious connection. In this, however, he had met hasty disappointment, as it seemed to be the connection with a single bank, and not a connection with banks generally, which had given the Senator his deep alarm, and drawn down upon the Secretary of the Treasury and the President his unmeasured censures. It was a connection with Mr. Biddle’s bank, with the Pennsylvania Bank of the United States, which had thus aroused the Senator’s eloquence and indignation.

“Even here, however, Mr. W. found cause for earnest congratulation. He well remembered that, upon repeated occasions within the last two years, when he, and other friends who entertained opinions in accordance with his own, had made their feeble attempts to arouse the honorable Senator himself, the Senate and the country to a sense of the dangers and corruptions of that giant institution, they had been calmly and confidently told by the Senator, and others who then acted with

him, that they were practicing an imposition upon the country; that they were attempting to conjure up the ghost of a buried enemy, a phantom, a mere shadow, to produce alarm and apprehension; that the Bank of the United States, in any form of existence, was effectually destroyed, was dead and buried, never again to be disinterred to alarm or injure the people; that our apprehensions were too late and were unreal.

“Notwithstanding these repeated and positive assurances, which, coming from the sources they did, he always desired to consider friendly and sincere, Mr. W. had never for a moment permitted himself to be misled or deceived by them. There never had been a moment when he had considered the dangers from that institution at an end, or materially lessened. The change of its form, from a national to a State institution, connected with the facts which accompanied and characterized that change, had given no relief to his apprehensions, and they were now, at this moment, as lively and active and strong as they had ever been.

“Not so with the honorable Senator. There had been a time when he had considered these dangers as not sleeping merely, but buried forever; and that he had now again become sensible of their existence, of their magnitude and of their impending character, was a matter of just congratulation to Mr. W. If they could not agree about the banks generally, the Senator's speech of this day had proved that about this particular banking institution they did and could agree. Here again they could meet and unite their labors for the general benefit of the whole country. Not a man in these seats could have failed to feel the dangers and mischiefs of this great banking institution, as the Senator had so eloquently and forcibly and vividly depicted them. To Mr. W. the effort had not raised new apprehensions, but confirmed all former impressions; and he would now promise the Senator, and all others, his most anxious co-operation in any efforts finally and forever to remove the particular dangers so clearly pointed out, and all dangers to our republican institutions of a like character, come from what description of banking institutions they might. He would repeat that he was entirely ignorant of the connection now formed between the treasury and this

dangerous institution. He was willing and desirous to let the Secretary of the Treasury answer that inquiry. He believed it was only a connection growing out of the sale of the bond to which he had before referred, and growing out of that sale in the manner he had pointed out; that it was necessity, arising from the law of Congress directing the sale, and not from the choice of the executive officers. If it was any other or different connection, he was further ready to say that it had been formed without his knowledge or consent, and should not meet his approbation. Here he had been and was still willing to rest his comments upon this matter.

“Neither the honorable Senator nor the body he addressed would expect him, upon an occasion like this, to go into a general debate upon the independent treasury bill, or to follow the Senator through that large portion of his remarks. It had appeared to him that the gentleman had, as he himself admitted, indulged extensively in the wide field of debate allowed by the courtesy of the Senate, in this part of his speech; but as Mr. W. had arisen to remark upon the spirit and temper of the speech, rather than to answer its argument in any aspect, he should be justified in passing this portion without notice.

“There was another feature of the address, however, which fell more appropriately than any other within the limits he had prescribed for himself, and which must receive attention. It was the extraordinary position assumed by the Senator, that the political opinions of the President, and the course and policy of his administration, were to be interpreted and proved by a letter from Nicholas Biddle, voluntarily published in the newspapers of the country. Was it upon such evidence that the President of the United States was to be judged and condemned? Was his democracy and his attachment to republican principles to be tried by such a test? Had his publicly expressed opinions, and the public course of his whole life, authorized a judgment against him upon such evidence? Mr. W. had never yet seen the letter alluded to, but he had heard of it, and he now found the honorable Senator a perfect master of its contents. All this was well, as a matter with which he had nothing to do, and about which he felt no anxiety. All he wished to say was, that *his* friends

were not to be bound by its terms, its language or its spirit, until they were made parties to it by some higher proof than the letter itself. He had never yet judged them by such a standard, nor should he ever do so, until they had been permitted to hear and answer the charges thus predicated.

“Even this letter, however, had not answered the purposes of the honorable Senator, and a different, and not less singular, description of testimony had been brought in to supply the deficiency in the argument he had attempted to make. What was that other proof? The comments of opposition newspapers upon Mr. Biddle’s letter! The remarks and inferences of the *Baltimore Chronicle* upon that singular production!! Mr. W. was not disposed to extend remarks upon such a case, based upon such evidence and coming from such a quarter. He would, therefore, only add that such never had been and such never should be the standard by which he would judge his friends. Neither the President nor the Secretary of the Treasury should ever receive condemnation from him upon such authority. If they were to be convicted of a design to fasten upon the country a national bank of any character, he must learn the fact from better authority than the *Baltimore Chronicle* or the comments of any other opposition newspaper, before he should subscribe to the verdict.

“A single other position of the Senator should receive a passing notice, and Mr. W. would come to a conclusion. A charge had been preferred against the President of the gravest character, drawn from the face of his late message. It was said that he had made an arrogant and unconstitutional recommendation, calculated to sink Congress from its high estate to the feet of the executive; that, in that recommendation, the disposition to render the executive superior and paramount to the legislative power of the government was conclusively manifested. What was the specific charge from which this grave inference was so confidently drawn? It was that the President had recommended that a committee of Congress, to be appointed by the body, should examine at intervals the books, accounts and money in the hands of the officers charged with the collection, safe-keeping and disbursement of the public moneys, as such committee had

been authorized by the charter of the late Bank of the United States, when it was the depository of the public money, to examine its accounts. For what purpose did the President propose this examination? The Senator says, that the committee might make report thereof to the President; that a committee of Congress might be made the servants of the executive and might be brought to the foot of the throne to give an account of their doings, instead of making a report to the two Houses of Congress of which they themselves would be a component part, and which, as independent representatives of the people or the States, they could do without humiliation or disgrace.

“Mr. W. would appeal to the Senator himself to say if this was a fair or candid statement of the recommendation of the President? Did it convey to the Senate, to this audience, to the country, a true idea of the message and of the views and wishes of the President as communicated in it? He did not charge the Senator with intended unfairness or want of candor. With his intention he had nothing to do, but his inquiry went to the fact. Was the representation of the Senator fair and candid in fact? Let the message itself answer. This is its language:

“ ‘When the late Bank of the United States was incorporated and made the depository of the public moneys, a right was reserved to Congress to inspect at its pleasure, by a committee of that body, the books and the proceedings of the bank. In one of the States, whose banking institutions are supposed to rank amongst the first in point of stability, they are subjected to constant examination by commissioners appointed for that purpose, and much of the success of its banking system is attributed to this watchful supervision. The same course has also, in view of its beneficial operation, been adopted by an adjoining State favorably known for the care it has always bestowed upon whatever relates to its financial concerns. I submit to your consideration whether a committee of Congress might not be profitably employed in inspecting, at such intervals as might be deemed proper, the affairs and accounts of officers intrusted with the custody of the public moneys. The frequent performance of this duty might be made obligatory on the committee in respect to those officers who have large sums in their possession, and left discretionary in respect to others. They might report to the executive such defalcations as were found to exist, with a view to a prompt removal from office unless the default was satisfactorily accounted for; and report also to Congress, at the commencement of each session, the result of their examinations and proceedings. It does appear to me

that, with a subjection of this class of public officers to the general supervision of the executive, to examinations by a committee of Congress at periods of which they should have no previous notice, and to prosecution and punishment as for felony for every breach of trust, the safe-keeping of the public moneys under the system proposed might be placed on a surer foundation than it has ever occupied since the establishment of the government.'

"Has the criticism of the gentleman presented this recommendation, or rather suggestion, fairly and candidly? For what purpose does the President suggest that this committee should report to him, and what does he suggest should be reported to him? 'They might report to the executive such defalcations as were found to exist,' says the message, and for what? 'With a view to a prompt removal from office.' But what further are the committee to do? 'And report also to Congress, at the commencement of each session,' what? 'The result of their examinations and proceedings.' Is there here an attempt to evade the Legislature and draw power to the executive? The power of removal from office rests with the President by the Constitution, and it is only to advise him when the exercise of that power is required, for the safety of the public money, that a report to him from the committee of examination is suggested. Is that an attempt to degrade the legislative power and bring it into subserviency to the executive? Does it manifest a disposition to bring down Congress from its high estate? Who would hold a committee of Congress blameless which should find a defalcation such as is contemplated in the message, and should not immediately report the defaulting officer to the President, 'with a view to a prompt removal from office' of the delinquent? Would a single Senator who heard him hold a committee guiltless which should omit this plain public duty? Was it then a crime in the President to suggest the performance of it? Or was it an offense against Congress to mention, as proper, what all were compelled to admit would be an imperious obligation? He could not anticipate such a conclusion from such premises. Was it, then, fair or candid to have commented with such severity upon the suggestion, and not to have stated the object of the report proposed to be made to the President, or the fact that a full and perfect report to Congress was also recommended? He could not so consider it.

“Had the remarks which had fallen from the Senator proceeded from one of the gentlemen declaredly in the opposition, his surprise would have been less. They did not always, in the warmth of debate, and acting under feelings of general political hostility, feel bound to give their opponents an opportunity to be heard before they bestowed censures, nor did they always find it suitable to their purposes to state the whole case upon which to found the inferences they might wish to draw. But, from a Senator standing in the relation to the administration which he had supposed the gentleman from Virginia did, he had expected fairness and candor at least; that if a judgment of condemnation must be rendered, it would be after, and not before, an opportunity had been afforded to present the facts upon which it must rest, and that a statement of the whole case would be spread upon the record.

“He had, however, doubtless mistaken the position of the Senator. He remembered that some person had, during the summer past, defined the condition of a certain political party of the country to be that of ‘an armed neutrality,’ in reference to the two great contending parties of the day. Of this party he believed the Senator called himself a member, and from his speech of this day it was plain that he, Mr. W., must have been mistaken as to the true definition of an ‘armed neutrality.’ He had supposed it indicated a relation purely defensive, but he must suppose, from the example the Senator had presented, that it was one wholly offensive; that it was exclusively belligerent, and authorized offensive war upon all parties. In this sense, all cause for his surprise and disappointment was removed. But if there was anything of neutrality in the relation in which the Senator had placed himself to-day toward the party to which he belonged, it was surely an *armed* neutrality at the best. [To these remarks Mr. Rives replied at some length, and Mr. WRIGHT rejoined in a very few words, and substantially as follows:] Mr. WRIGHT said he did not wish to protract this debate, and he found it so impossible to make himself understood by the honorable Senator [Mr. Rives] that he should not attempt to answer him farther. He would further assure the gentleman and the Senate that he should not permit himself, in any degree, to

partake of the heat and passion which had characterized the last remarks to which they had listened. He rose for a single purpose, to correct a single error. The Senator had represented Mr. W. as menacing him with executive displeasure; as attempting to terrify him by the dread of executive censure. He had done no such thing, nor had he, to his knowledge, said anything from which such an inference could be possibly drawn. The Senate were the witnesses of what he had said, and he appealed to them, individually and collectively, to say if the language he had used was possibly susceptible of any such interpretation. He would go farther, and say that no intention to use language of that character had existed in his mind, and he could not think he had made expressions so foreign from his feelings and intentions. He was not authorized to speak of executive displeasure or to wield executive censures, nor had he attempted to do either.

“A single other remark. If the inference which might follow from the last remark of the Senator was intended for him, he repelled and spurned it. [Mr. Rives rose as Mr. W. was resuming his seat, and inquired to what remark of his Mr. WRIGHT alluded, saying he did not know what allusion was intended. Mr. WRIGHT said he understood the Senator to have closed with the words, ‘I am no vassal of the President. Let the Senator from New York understand that.’ [Mr. Rives, turning from Mr. WRIGHT, and addressing the Senate, said: ‘I am not a vassal of the President, or any one else, and I wish that understood everywhere.’”]

CHAPTER LXXVI.

SALE OF THE BONDS HELD BY THE UNITED STATES, GIVEN
BY THE UNITED STATES BANK OF PENNSYLVANIA.

When the Bank of the United States was about to expire, in 1836, and all hope of securing a new charter from Congress had ceased, the Pennsylvania Legislature granted a State charter under which it acted. The capital of the old bank was transferred to the new and formed its basis for banking. One-fifth of this, \$7,000,000, belonged to the United States, which they alone could control. On the 23d of June, 1836, Congress passed an act authorizing the Secretary of the Treasury to receive pay for the same, and exercise other powers in relation thereto. The new bank subsequently proposed terms of adjustment of these matters.

On the 3d of March, 1837, Congress, by a joint resolution, authorized the Secretary to settle with the new bank, "and take such obligations for the payment of the several installments, in said proposed terms of settlement mentioned, as he may think proper." The Secretary exercised the powers conferred, and took the bonds of the bank for the amount due, payable at different periods.

On the 7th of July, 1838, Congress passed an act authorizing the Secretary of the Treasury to make sale of the bonds thus taken, in aid of the treasury, which he did, and reported to Congress. On this report a discussion arose, in which Mr. WRIGHT defended the President and Secretary of the Treasury in the following extended remarks :

"Mr. WRIGHT said: I rise, Mr. President, to perform a task from which I had hoped to be discharged. I had hoped that

some other member of the Senate, more capable and less likely to be suspected of partiality upon the one side, and of prejudice upon the other, would have relieved me from it. Hence, to some extent, the long delay, on my part, to ask the Senate to bring the subject of these reports again to its attention. And hence, too, the extreme reluctance I have felt, and some of which I have manifested to this body, to seem to court a continuance of debate upon it. The clearest convictions of duty, however, to myself, to the hitherto tried and faithful public officers whose conduct is brought under suspicion, and, above all, to that great public, whose servants we all are, to whom we are all responsible, and whose full and clear and perfect understanding of the truth, in reference to every public act of every public servant, ought to be an object of primary interest with us all, impel me to the course I pursue.

“The recent business transactions between certain executive officers of the government and the Bank of the United States, chartered by the State of Pennsylvania, has justly excited some interest throughout the country. That interest has been materially increased and strengthened by the manner in which the chief officer of that banking institution has felt himself authorized to speak to the public of these transactions. It was not, therefore, to have been expected, much less hoped, that Congress would fail to make the whole subject one of inquiry and examination. The Senate has not disappointed this reasonable expectation. On the contrary, a lively and pervading interest, in this body, has been given to the whole matter, by the peculiar care with which the calls for information have evidently been drawn, and by the *anticipatory* debates which accompanied those calls. The resolutions were passed without objection; and, when I remember their particularity and precision, I feel authorized to assume that all the facts are now before us, embodied in the reports under consideration. A fair and full examination of those facts, and of the conclusions properly and naturally to be drawn from them, is my present purpose; and I take great pleasure, Mr. President, in promising you that the duty shall be discharged with as little consumption of the time, and as light a tax upon the patience, of the Senate as shall be possible.

“Inasmuch, however, as the pre-existing relations between the government of the United States and the Bank of the United States have given foundation for the transactions complained of, a very brief notice of those relations will, in my estimation, contribute essentially to a full and clear understanding of the matters under discussion. The first of these relations was that of a partnership in banking, and the second was that of a creditor and debtor ; and out of both have grown the proceedings which form the subject of this debate.

“The Bank of the United States, as a national institution, commenced its chartered existence on the 4th day of March, 1816. By the terms of the charter, the United States were to hold the one-fifth part of its whole stock, an amount equal to \$7,000,000. That stock was taken, and, with very trifling exceptions comparatively, was held throughout the term of twenty years which the charter had to run. I believe that some transfers of stock, from the general treasury to the navy pension fund, had varied, very limitedly, the amount of that direct interest ; but the variation is immaterial to the purposes of this argument, and, as the transfer was made to a trust fund, in the safety and protection of which an interest was felt, and actually existed, equal to that for the safety and protection of any other equal portion of the public treasure, the real public interest was not at all changed.

“Upon the expiration of the charter of the bank as a national institution, in March, 1836, this great interest was left subject to the management of the directors and other officers of the bank during the two years allowed by the charter for the winding up of its affairs, and left, almost necessarily, in an unproductive state. Hence the early interest felt and manifested, as well in Congress as by the chief fiscal officer of the government, to give prompt and efficient attention to this portion of the public treasure. The charter of the bank expired during the session of Congress ; and, before its adjournment, a law was passed constituting the Secretary of the Treasury the agent of the United States to superintend this interest, with full power to liquidate the amount, to receive payment, or to take security for payment at a future day, submitting to his sole discretion the forbearance to be extended and the sufficiency of the security to be offered.

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“In the meantime, and at about the period, if not upon the very day, of the expiration of the charter, a proceeding was had by the board of directors of the bank which I must be permitted to call singular, at the least, and especially so as it was a proceeding to which the government was in no sense a party. The whole bank, its stocks, debts, credits and effects, of every name and character, were sold and transferred to a banking institution chartered by the State of Pennsylvania. This transfer took place in March, and the law of Congress, last referred to, did not pass until the twenty-third of June after. The transfer was to an institution in which, upon the face of its charter, the United States were prohibited from holding stock, so that the government could take nothing in the new bank by this sale of its property in the old. Such was the condition of this public interest at the time Congress adjourned in 1836.

“It is proper to pause here, and see what was the state of the public treasury at this period, that we may estimate the willingness, on the part of all the public functionaries, to accept security for the payment of this debt at a future day, instead of payment in hand, and consequently the willingness of Congress to submit the time of payment to the Secretary of the Treasury alone. The treasury was, at the time referred to, full to overflowing, and statesmen of the greatest experience and deepest reflection considered the abundance of our revenues and the surplus of our treasure as one of the severest evils which then did, or which ever had, threatened the purity and permanency of our institutions. So great was the desire to discharge the country from the corrupting and demoralizing influences of this flood of money, that, on the very day on which this agency over our interest in the bank was given to the Secretary of the Treasury, a law was passed to set apart from the general and ordinary uses of the treasury, and distribute to the States, in the form of a deposit, more than thirty-seven millions of dollars of the public money. This law stands upon the statute book next before that which authorizes the Secretary to extend a credit upon the debt due from the bank.

“I will now pass to the next session of Congress — the annual session of 1836-37. On the 1st day of January, 1837, the balance was to be struck, and all the money found in the treasury, deduct-

ing five millions of dollars to meet outstanding appropriations, was to be laid aside, and deposited with the States in the ratio of their representation in the two Houses of Congress; the one quarter on that day, one other quarter on the first day of April, the third quarter on the first day of July, and the remaining quarter on the first day of October, of that year. This left the treasury with five millions of dollars of means, and something more than fourteen millions of dollars of outstanding appropriations. The current revenue of the year, therefore, must meet the balance of outstanding appropriations beyond the five millions of dollars left in the treasury, and also the current appropriations of the year, or the money placed in deposit with the States must be called back to pay the deficiency. This, I think, was about the state of facts, and the condition of the treasury, on the 1st day of January, 1837; though I have not looked at the figures for this occasion, and, speaking from memory, may not be precisely accurate. During this session of Congress, a report was received from the Secretary of the Treasury, detailing the efforts which had been made under the law of 1836 to liquidate, settle and secure the bank debt; giving the then state of the negotiation, and showing that no definite or satisfactory result had been reached. It appeared, however, that examinations had been made, facts ascertained and conclusions formed, as to the fair value of the interest of the United States arising from their stock; and that distinct offers to sell the claim to the new Pennsylvania bank, at a given price, and upon specified terms, as to time and interest, had been made by the commissioners appointed by the Secretary, but that no answers had been obtained to their propositions.

“After this report was laid before Congress and the public, the board of directors of this Pennsylvania bank, through their president, addressed a memorial to Congress, giving their acceptance of one of the offers which had been made to them, and Congress, on the 3d of March, 1837, passed a concurrent resolution, directing the Secretary of the Treasury to take the security offered, and close the business.

“The whole value of the claim, as liquidated by the offer and acceptance, was \$7,946,356.16. This was the amount conceded

to have been due to the United States on the day after the expiration of the charter of the bank as a national institution, the 4th day of March, 1836 ; and, by the terms of the bargain, payment was to be made in four equal installments of \$1,986,589.04 each, the first to be paid in the month of September, 1837, and the remaining three installments in one, two and three years from that time, with interest upon the whole amount from and after the 3d day of March, 1836, until paid, at the rate of six per centum per annum. The Secretary proceeded to carry into effect the resolution of Congress, to ascertain the amounts as above stated, and to take the bonds of the United States Bank of Pennsylvania to secure the payments, that being the security agreed to be given by the terms of the acceptance.

“In this way the claim of the United States was transferred from the Bank of the United States chartered by Congress, to that chartered by the State of Pennsylvania; and thus the bonds against the latter institution, which have given rise to the transactions principally complained of, came into existence. These bonds were each for the same amount, \$1,986,589.04. Each bears an interest of six per centum per annum from the 3d day of March, 1836 ; and the first was payable in all the month of September, 1837, the second in 1838, the third in 1839 and the fourth in 1840. All these bonds bear date on the 10th day of May, 1837; and it is impossible not to mark the singular coincidence of dates between the conclusion of this negotiation, which postponed the payment, and placed beyond the power and control of the treasury this almost eight millions of dollars, and that universal suspension of specie payments by the banks of the country, which instantly deprived the treasury of means to pay the public creditors, and compelled an extra call of Congress. I have stated that the bonds were dated on the 10th day of May, 1837. They were, therefore, executed on that day, either at Washington or Philadelphia, while at New York, on the very same day, specie payments were suspended. I speak from recollection upon this point, but feel sure that the suspension took place at New York on the 10th of May, 1837 ; and it was certainly followed, almost instantly, where it had not been preceded, by nearly every banking institution in the whole Union. A consequence of this was

to render unavailable, for legal payments, all the balances in the deposit banks, and to throw back upon the treasury, thus deprived of its means, masses of outstanding drafts which had been drawn upon these deposits, but which had not reached their places of destination and been presented for payment when the suspension was proclaimed. At this crisis the bank debt would have been a most timely and important aid, if it could have been realized in cash; but the consummation, on the very day of the suspension by the banks, of the terms of a compromise, tendered on the part of the government when the treasury was more than full, and accepted by the bank several months after it was tendered, had postponed payment upon this debt for one, two, three and four years.

“Under circumstances like these, the proclamation of the President was issued, bearing date on the 15th of May, 1837, and calling a special meeting of Congress for September of that year. The deposits with the States, to be made on the first of January and first of April, of between nine and ten millions of dollars each, had been nearly completed, and drafts had been issued for the principal part, if not for the whole, of the deposit, of like amount, to be made on the first of July, when the suspension of specie payments by the banks placed the very moneys, out of which these deposits were to be made, beyond the control of the law or of the fiscal officers of the government. The consequence was, that many of the outstanding drafts for the July deposits, and some few of those for the previous installments, were dishonored by the banks upon which they were drawn, and returned upon the treasury for payment, while the whole means of the treasury, to meet these and other payments, were locked up in the suspending banks. Hence the aid of Congress was invoked, at the earliest practicable period, and the ability of the treasury to get on until the commencement of the extra session was rendered extremely doubtful. So rapid was our transition, in a public sense, from superabundant wealth to extreme poverty, from plethoric fullness in the public treasury to extreme want and almost perfect destitution!

“It will now be proper to see what legislation was adopted by Congress affecting the public treasury at the extra session of

September and October, 1837. In the way of supply, a bill was passed, on the twelfth day of October, authorizing the Secretary of the Treasury to issue paper, upon the credit of the government, in the shape of treasury notes, as the wants of the treasury should require, not to exceed, in all, the amount of \$10,000,000, but with such restrictions in the law as to prohibit the reissue of any single note which should fall into the hands of an officer of the government, in payment to the United States, while all the notes were made a legal tender for all such payments.

“On the other hand, nearly every ordinary resource of the treasury was cut off, for a period, by a law which suspended, for the space of nine months after maturity, all payments upon all outstanding duty bonds, and gave a credit of three and six months upon such cash duties as had become due and were unpaid, or should become due upon importations to be made previous to the month of November, 1837; and by another law which, at the option of the deposit banks, suspended payment upon the balances due from them, for previous deposits, for periods of eight, fourteen and twenty months, and required that the bonds of the institutions for payment, at the expiration of those periods, of equal third parts of their respective debts, satisfactorily secured, should be received in lieu of payments in hand.

“Another law was also passed, at this extra session, materially affecting the treasury in both directions. I allude to the law ‘postponing the payment of the fourth installment of deposits with the States.’ This law relieved the treasury from this call of between \$9,000,000 and \$10,000,000, until the 1st day of January, 1839; but it, at the same time, prohibited the Treasurer from drawing, under any circumstances, or for any purpose, upon the \$28,000,000 which had been previously deposited with the States in obedience to the provisions of the deposit law of 1836. Its effect, therefore, was to deprive the treasury of three dollars of means for every one dollar of demand from which it was relieved.

“With the exception of the necessary appropriations made at the extra session, no other legislation materially affecting the public treasury has been discovered.

“I will now pass on to the annual session of Congress of 1837–38, and see in what manner the legislation of that session was made to influence the operations of the treasury. On the 21st of May, 1838, a law passed giving to the Secretary of the Treasury the power to issue new treasury notes in the place of all those which, having been issued under the law of the extra session, had been paid in and canceled or should be so paid in and canceled under the provisions of that law. The same prohibition, however, against a reissue of the new notes was retained in the law of 1838, while these notes also were made a legal tender in all public payments.

“The only other legislation of this session intended for the supply of the treasury was the law of the 7th of July, 1838, authorizing a sale in the market of the two bonds against the Bank of the United States of Pennsylvania which were to become due and payable in September, 1839 and 1840, being the third and fourth of the four bonds taken in the manner before related to secure the debt due to the United States from the late Bank of the United States chartered by Congress, for the stock held by the United States in that institution at the time of the expiration of its charter. It will be remembered that the first bond was made payable in September, 1837, which time had passed and that bond had been paid and canceled. The second bond, made payable in September, 1838, would fall due so soon after the passage of the law that it was not thought advisable to include in it a provision for its sale, as the money might be received upon it from its maturity before a negotiation for the sale could be brought to a successful termination. Hence the law provided for the sale of the two last bonds only; and this law it is, and the practical execution of it by the Secretary, which has given rise to this discussion and now compels me to obtrude myself upon the attention of the Senate.

“The law made the Secretary of the Treasury the agent of the government for the sale of the bonds; limited him to the par value of each bond in the market, ‘calculated according to the rules for estimating the par value of securities upon which interest has run for a time, but which securities have not reached maturity;’ opened to him the markets of our own and foreign

countries, and directed that the sale should be made for 'money in hand.'

"This brings me to an examination of the facts in relation to the execution of this law, and for them I must refer to the reports under consideration and to the documents accompanying them. From this time forward I shall, as far as practicable, let the reports and the correspondence speak for themselves; as, notwithstanding the tediousness to myself and the Senate of reading documents here, I prefer that the facts themselves and the language of the parties, rather than my understanding of either, should guide the judgment of this body and the country upon the issue presented.

"It will be proper here to remark that but one of the bonds authorized to be sold has as yet been sold under the law—the bond to become due in September of the present year—that to fall due in September, 1840, being yet held by the treasury as the property of the United States. It will, however, be seen that various negotiations, all at the instance of the bank, have been carried on between that institution and the Secretary of the Treasury, the object of which was to arrange the mode and manner of payment of the second bond, to fall due in September, 1838, and, as an inducement to the officers of the treasury to yield to the mode and manner desired by the bank, offering on its part to anticipate portions of that payment, at times which should be most desirable to the government in reference to the calls for public disbursement. It is indispensable to a perfect understanding of the transactions that the negotiations for this object and those for the sale of the third bond, under the law before referred to, should not be confounded; while the dates and order and manner of the correspondence upon the two subjects, and the similarity of the propositions from the bank in both cases, require some care to preserve the separation perfectly, and at the same time to comprehend the whole force of the facts as applicable to each transaction.

"Hence I propose to examine all the facts in relation to the time, mode and manner of payment of the second bond, due in September, 1838, and which was not sold, before I refer to the

facts attending the sale of the third bond, which was sold to the bank.

“The first question which arises in this course of inquiry is, was the state of the treasury, at the time the negotiation was concluded for an anticipation of the payment of two-thirds of this bond, and a postponement for the period of fifteen days only of the remaining third, such as to warrant the arrangement, on the part of the Secretary of the Treasury, as one calculated to promote the public interests, and to secure more certainly the payment of the public creditors? This question the Secretary of the Treasury himself shall answer. And as the same question will necessarily arise in reference to the sale of the third bond, and as the report of the Secretary, in answer to the call of the Senate, frequently speaks of the condition and necessities of the treasury in reference to both of these negotiations in the same sentence, his answer as to both shall be given here. I read first from page four of the report, which relates more particularly to the payment of the second bond, to fall due in September, 1838, though clauses of the extract allude also to the sale of the third bond. The Secretary says :

“ ‘To avoid the payment of the bond that was to fall due on the first of October *being made in new treasury notes*, not reissuable, nor available in any way to discharge appropriations, and which event *was apprehended* by the department, the written agreement was made with the bank, which will be found among the documents, stipulating, among other things, for the payment of that bond on drafts to the public creditors, and in specie or its equivalent. This, though collateral to the sale of the other bond, was a part of the same negotiation.

“ ‘It was very clear at the time, and has been confirmed by subsequent events, that the payment by the bank of its bonds in such treasury notes, and a failure to make that arrangement, the only practicable one for the sale of the third bond, would render either a special call of Congress or a suspension of payment of some of the demands upon the treasury inevitable. The department did not feel itself at liberty to hesitate in deciding between an exposure of the public service to either of those extremities, by insisting upon having the whole of these large sums of money paid at one time, and placed elsewhere in other suitable depositories, if any could be found in the present imperfect state of the law, or a consent to leave them in the hands of the public debtor until they were actually wanted, and then to draw for them, in specie or its equivalent, when and where the public service required. Especially could the department not hesitate, when this course was not injuri-

ous to that service, and it was unable at that time to withdraw those funds except by the debtor's voluntary consent.'

"Again, on page five, with more exclusive reference to the arrangements in relation to the second bond, and to the places and manner of disbursement required by the wants of the public service, he says :

" ' In relation to another inquiry concerning " the period when the sum of \$1,600,000, in part payment of the second bond of the Bank of the United States, was placed to the credit of the treasury," I state that \$800,000 was placed to his credit on the 15th day of August, and \$800,000 more on the 15th September, 1838. As to the " nature of the " whole agreement on that subject, I reply that it will be found in the correspondence annexed.

" ' The substance of it was that about one-third of the amount of the bond should be paid in the middle of August, one-third in the middle of September, and the other third in the middle of October, as these periods and amounts of payments were deemed likely to promote the convenience of the treasury, if not of both parties, better than to pay the whole large sum of near \$2,500,000 at once at the close of the month of September. It was further stipulated that interest should cease on each of the installments thus paid on the day they were placed to the credit of the Treasurer, and made subject to his draft. As the money was wanted at different points to meet the public expenditures near them, the drafts of the Treasurer on the bank, payable at those several points, were engaged to be met there with promptitude, *and in specie or its equivalent.*'

"Here is a condensed, but full and clear, statement of the result of the negotiations as to the mode and manner and times of payment of the second bond, with suggestions as to the convenience to the treasury of this manner of payment over that of the receipt of the whole sum of about \$2,400,000, in a single payment, on the first day of October, while the extract closes with showing that the payments, at the times and places stipulated, were to be made 'in specie or its equivalent.'

"Again, upon pages two and three of the report, and referring principally to the sale of the third bond, the Secretary goes more fully into the state of the treasury, and shows most clearly the necessity for the sale and anticipation of the proceeds of this bond, which were not to become due until September, 1839, to meet the appropriations of 1838, which, he says, 'proved to be unusually great.' It need scarcely be said that, if such was the condition of the treasury and the anticipated wants of the public

service in July as to prove the necessity for the sale of the third bond before the close of that fiscal year, the same facts must have proved, more clearly, the necessity of anticipating, so far as that could be done, the payments upon the second bond, the whole of which was to fall due on the first day of October. The language of the Secretary is :

“ ‘The appropriations actually made having proved to be unusually great, and the expenditures anticipated during the two next ensuing months being much larger in amount than the immediate means which the department could expect to derive in money from other sources within those months, I at once addressed letters to the bankers of the United States at London, and to our minister at Paris, requesting that measures might be taken, without delay, to obtain offers for those bonds, if possible, from capitalists in Europe. To these letters answers were received in due season, stating that, from the short time the bonds had to run, the absence of the guarantee of the United States for their eventual payment, and other causes, no sale could probably be effected of them either in London or Paris within the limits fixed by law. In the meantime, however, finding that the demands for the public service during the month of June had exceeded \$4,500,000, and *expecting, as the fact turned out to be, that they would equal about \$7,000,000 in July and August, and finding, also, that the available balance in the treasury, applicable to general purposes, and subject to draft, fell below \$1,000,000, and that payments were making at times in new treasury notes,* which could not be rendered at all available, I considered it *necessary* to effect a sale of at least one of the bonds *at an earlier day* than advices could be received and any proceeds realized from Europe. Particular inquiry was, therefore, instituted in the city of New York, and elsewhere, concerning the probability of selling soon one or more of the bonds, and also a public advertisement was issued, inviting proposals generally for their purchase.

“ ‘The result was, that from the abundance of State stocks in the market, at very reduced prices, *the lower rate at which other securities of the bank were selling,* and the want of a guarantee by the United States, the sale was found, with the exception hereafter stated, to be wholly impracticable in this country, and was expected to be so abroad, under the conditions prescribed in the act. *Indeed, no bids were at any time made* for either of the bonds, in conformity to those conditions, except that of Charles Macalester, Esq., of Philadelphia, who offered to purchase both of them within the terms of the law.’

“ Here is the most full and clear answer to the question. The expenditures for June had been more than ‘\$4,500,000;’ those for July and August were expected to be ‘about \$7,000,000, which expectation was realized by the fact, and the ‘balance in

the treasury, applicable to general purposes and subject to draft, fell below \$1,000,000.' Hence the Secretary 'considered it *necessary* to effect a sale of at least one of the bonds at an earlier day than advices could be received and any proceeds realized from Europe.'

"I will now proceed to notice the correspondence, and first, that in relation to the payment of the second bond. And here it will be interesting, if not useful, to notice dates and coincidences between the proceedings in Congress toward a sale of the bonds, and the efforts on the part of the bank to gain possession of them or make arrangement for their payment.

"On the 5th of April, 1838, the Senate, by a resolution, instructed the Committee on Finance to inquire into the state of the treasury, and, in case there should be a prospect that more means would be wanted than had been provided by Congress, further to inquire into the expediency of raising those means by a sale of the bank bonds.

"On the twenty-first of the same month, Mr. Macalester addressed to the Secretary of the Treasury a note, making distinct propositions for anticipating the payment of the second bond, to fall due in September, 1838, and inviting a correspondence. The documents exhibiting this negotiation will be found appended to the report of the Secretary of the Treasury, now under consideration, commencing at page 11, and are marked A 1 to 7 inclusive. The negotiation was unsuccessful, because the parties could not agree as to the medium in which the proposed payments should be made; but there are certain points in this correspondence which I consider it important to notice, for future reference, and will, therefore, read to the Senate a few short extracts. The Secretary, in his reply to Mr. Macalester's first note, under date of twenty-eighth April, writes as follows :

"'In the meantime, as you do not state that the proposal contained in your letter is made under authority from the bank, and as the discussion of such a proposal, unless made directly by the bank, or its authorized agent, might be liable to misconstruction, and lead to no useful result, you will see the necessity, before my replying fully, that any arrangement desired should be made in that form.'

"In reply to this part of the Secretary's note, Mr. Macalester, under date of the second of May, says :

“‘SIR.—I have the honor to acknowledge the receipt of your letter of twenty-eighth ultimo. In answer to which I have to state that I am authorized by the Bank of the United States, chartered by Pennsylvania, to enter into the arrangements proposed in my letter of twenty-first ultimo.’

“‘This establishes the fact that Mr. Macalester was here acting as the agent of the bank, with full power to make the arrangement he proposed; and as he continues, throughout all the negotiations as to both bonds, to act as the principal agent and instrument of the institution, without anything further appearing upon the face of the papers as to his character or powers, the above inquiry and answer were, doubtless, considered by both parties sufficient upon that point.

“‘In the answer of the Secretary to Mr. Macalester’s note of the second of May, from which the above is extracted, and in which he makes formal propositions as to the times, places and manner of payment of the second bond, is the following paragraph, which closes the letter :

“‘To prevent misapprehension, it should be distinctly understood that, with the exception of treasury notes, the general course has been to accept no credit unless the deposit is made *in specie or its equivalent*, or unless the deposit has been received by some public claimants as equivalent to specie. The right of every claimant to be paid in the legal currency of the United States is fully recognized by this department; and considering the opinion entertained by the executive, and at least one branch of the Legislature, *the idea must be expressly excluded that the notes of the second Bank of the United States, chartered in 1816, can be permitted to be employed in any of the transactions growing out of this arrangement.*’

“‘This letter bears date on the third of May, and, under date of the fifth of May, Mr. Macalester replied, which terminated that negotiation. Among other things he says: ‘I did not and could not have intended to propose a negotiation *on the basis of a specie payment.*’

“‘These are the only references to this correspondence necessary to my purpose, and they are necessary because they establish the character of Mr. Macalester as agent of the bank, and the further fact that the Secretary of the Treasury, in the negotiation, adhered to ‘the basis of a specie payment, or a payment *equivalent to specie.*’

“‘This correspondence covered the time from the twenty-first

April to the fifth of May. We have before seen that, on the fifth of April, the Committee on Finance was instructed to inquire as to the inexpediency of a sale of the bonds, and the inquiry was general, relating as well to the second as to the third and fourth bonds, all of which remained unpaid. On the second of May the committee reported a bill providing for the sale of the third and fourth bonds, but not affecting the second; and on the fifth of the same month, the negotiation as to anticipating the payment of this latter bond was terminated by the agent of the bank, unless some other than a specie basis for the payment could be acceded to. On the eleventh of May, the bill for the sale of the third and fourth bonds passed the Senate, and, on the seventh of July after, it became a law.

“On the twenty-third of July, a second negotiation was opened by Mr. Macalester, by inviting the Secretary of the Treasury to make specific propositions for the payment of the second bond in three installments, to be paid on the 15th days of August, September and October, 1838, the bond being payable, by its terms, on the first day of October of that year. To this invitation the Secretary answered, under date of the twenty-fourth of July, consenting to the times of payment proposed, and naming the places of payment, and the sums to be paid at each place, and closing with the following language:

“‘In all cases, however, it is, of course, understood that payments will be made *in specie or its equivalent*.’

“These terms Mr. Macalester accepted, by a note dated the twenty-fifth July, merely requesting that the negotiation might be considered open in relation to the places of payment, and the sums to be paid at each, so far as the convenience of the treasury and the wants of the public service would permit. On the twenty-seventh the Secretary replied, consenting to make such changes in the places of payment, and the amounts at each, as could be made without material inconvenience to the department. This correspondence will be found annexed to the report of the Secretary, commencing at page 34, and marked inclosures No. 1 to 4 inclusive.

“On the thirteenth of August, the negotiation in relation to the payments upon the second bond was renewed by a letter from

Mr. Biddle, the president of the bank, to the Secretary of the Treasury, suggesting such changes in the places of payment, and in the amounts to be paid at each place, as he desired to have made, and referring to the correspondence, above detailed, with Mr. Macalester as the basis of the arrangement in relation to this bond. This correspondence, thus reopened, was continued between the officers of the bank and those of the treasury up to the eighteenth of August, when all the places of payment, and the sums payable at each, were mutually agreed upon, and the negotiation was completed; but, in the meantime, and on the fifteenth of August, a certificate of deposit, to the credit of the Treasurer of the United States, was issued by the bank, and transmitted for the first installment of \$800,000, payable on that day toward the second bond. These documents will be found appended to the report of the Secretary of the Treasury, now under consideration, commencing at page 37, and marked F 8, 10, 11, 12.

“This gives a distinct and separate view of all the material negotiations in relation to the payment of the second bond, the times of payment, the places of payment and the manner of payment. From the facts detailed, it will be seen that the bond was to be paid, and was paid, in three equal installments of about \$800,000 each, on the 15th days of August, September and October, 1838, which would occasion the first installment to be paid forty-five days before the bond became due and payable, the second installment fifteen days before, and the third installment fifteen days after that time; that each installment, on the day it became payable by the arrangement, was to be, and was, deposited in the bank to the credit of the Treasurer of the United States; that upon the strength of these deposits the Treasurer was to draw his drafts upon the bank, payable at the several places named, and for the several sums agreed upon in the arrangement; that those drafts were to be paid by the bank at the places at which they were made payable, without being first presented at the bank or returned to it for payment; and that interest was to cease upon the two installments anticipated when the money was placed to the credit of the Treasurer in the bank,

and was to continue upon the third installment until that, also, was so placed to his credit.

“This is the arrangement which the Secretary of the Treasury did make for the payment of the second bond, which, upon its face, became due and payable on the 1st of October, 1838. That the state of the treasury required the anticipated payments secured by the arrangement seems to be made certain by the report of the Secretary, and that the places and manner of payment were such as best suited the public wants and the convenience of the department is shown by the whole correspondence. If, then, there be fault on the part of the Secretary, in consenting to the arrangement, it must be because it was wrong to enter into a negotiation with the Bank of the United States, chartered by the State of Pennsylvania, and to conclude an arrangement for the anticipated payment of a debt which the wants of the public treasury required, upon terms not only convenient and advantageous to the public interests and the public service, but upon which alone payments could be anticipated, and because it was wrong, by such an arrangement, to secure those payments in money, which otherwise might be made in treasury notes, and thus rendered wholly unavailable to supply the wants of a reduced treasury. Deep as my feelings of hostility have been, and still are, against this bank, both as a national and State institution, I cannot carry those feelings so far as to censure a faithful public officer for acts like these; nor, when by our legislation we have driven him to these resorts to supply our treasury placed under his charge, can I suspect him of improper motives for having consented to negotiate with a dangerous banking institution, when it was the only alternative left to him to preserve the public faith, carry on the business of the nation and maintain its credit, or condemn him for having accomplished these great results by such means.

“I pass now to the sale of the third bond and the negotiations which preceded and accomplished that object. The law authorizing that sale, as has been before remarked, was introduced into the Senate on the second of May, and the resolution of inquiry on the fifth of April previous. With his accustomed vigilance, the Secretary of the Treasury anticipated the action of

Congress by opening, on the eighth of May, a correspondence with an intelligent banker in each of the cities of New York and Philadelphia, to inform himself whether, in case of the passage of a law like that proposed, a sale could probably be made of one or both of the bonds, either in the markets of our own or a foreign country. Copies of the bill were transmitted to each of these gentlemen and their early opinions solicited. Answers to these letters were returned within a very few days, and both expressed opinions wholly unfavorable as to the prospect of a sale in this country, unless to the bank itself, without the guaranty of the government for the payment of the bonds; while one of the writers supposed that a sale might be effected in Europe upon advantageous terms, and that the agent of the bank in London might be induced 'by weighty considerations to enter the field as a purchaser;' and the other said, 'the bonds have too short a time to run to warrant any reasonable expectation of a sale of them in Europe on favorable terms, during the present rate of exchange.' These letters will be found accompanying the report of the Secretary, marked B 1, 2, 3.

"The bill became a law, without any alteration of form, on the seventh of July. Under date of the ninth the Secretary wrote to N. M. de Rothschild and Sons, bankers, of London, sending them a copy of one of the bonds and requesting them to negotiate a sale in England if possible. A copy of the law was also transmitted. On the eleventh similar communications were addressed to the American minister at Paris, with a request that he would consult certain bankers named, and such other persons as he might think proper, and learn if a sale of the bonds could be effected in France within the terms of the law. On the seventeenth of July a gentleman of Baltimore, of known and approved qualifications for such a service, was addressed by the Secretary to learn if he would consent, for the compensation of eight dollars per day and the payment of his expenses, to go to Europe as the agent of the department to make sale of the bonds. In the meantime, and on the ninth of July, letters were addressed to the president of one of the leading banks in each of the cities of New York and Boston, and to a gentleman in New York known as the resident agent there of the banking-houses of the

Rothschilds in London and Paris, invoking the advice and aid of these individuals as to the sale of the bonds in this country or in any foreign market.

“Such were the efforts promptly made by the Secretary to secure a sale of these bonds in conformity with the provisions of the act of Congress, and upon the most favorable terms which could be obtained. The condition of the treasury, and the consequent necessity for the sale of one or both of the bonds, has been already seen in the extracts from the report of the Secretary, before given.

“Under date of the twenty-third of July, the gentleman applied to to act as agent for the sale of the bonds abroad replied to the Secretary’s request, expressing an opinion that, as the state of the money market in Europe was peculiarly favorable, the bonds might probably be sold there within the limitations prescribed in the law, and possibly upon terms more favorable ‘if the agency is judiciously executed;’ but characterizing the bonds as ‘a less current or salable description of securities’ than are ordinarily ‘tendered for sale in any market,’ and declining the agency at the compensation proposed, but offering to undertake it for a commission of one-fourth of one per cent upon the amount of the bonds if sold, and for the pay and mileage of a member of Congress in case of a failure to effect a sale. [See documents C, 6 and 7.]

“The letters of the Secretary to the gentlemen in New York and Boston were promptly answered; the one from the agent of the foreign banking-houses containing an offer for the bonds, which did not come within the limitations of the law; and the two others holding out no prospect of a sale of either bond in this country, within the terms of the law. The correspondence with the two New York gentlemen was continued to great length, covering the time from the ninth to the twenty-seventh of July, and embracing efforts to effect a sale as well abroad as at home, but without any prospect of success.

“Inasmuch as the Secretary is now charged with a willingness, if not a desire, to be driven to make the sale of these bonds to the bank itself, it will be but just to him to make one or two references to his correspondence with these gentlemen, as indica-

tive of his feelings upon this point. I will read from his letter of the sixteenth of July, written to Geo. Newbald, Esq., president of the Bank of America, New York. It will be found on pages 23 and 24 of the report under consideration, and is marked D, 6. The first paragraph of this letter is in the following words :

“ ‘SIR. — I have to acknowledge the receipt of your letter of the fourteenth instant. I wrote you on yesterday in consequence of observing in the Philadelphia newspapers some intimations affecting the credit of the bonds of the Bank of the United States in the market. It seems to be evident that the maker of these bonds intends that no other corporation or individual shall purchase them. So many suggestions injurious to their value have been made, and, what is more remarkable, considering their obvious origin and motive, have been listened to, that I shall probably be compelled either to sell the bonds to Mr. Biddle, who is expected here in the course of the present week, or to send them abroad for sale.’

“Does this language, I ask, Mr. President, does this look like a desire, or even a willingness, to make the sale to the bank? Does it look like a wish to be compelled to make the negotiation with Mr. Biddle? Do you believe, sir, that the president of the Pennsylvania bank will look upon this language as conveying such a kindly feeling toward himself and his institution? I will read the last paragraph of this same letter. It is in these words :

“ ‘Any bank which co-operates in the purchase of these bonds, at a point like New York, cannot fail to derive great advantage from the operation. The money will probably be required to be drawn for at the rate of about half a million monthly. The drafts will be mostly sent to the south and southwest, and the greater portion of them will be out thirty, sixty and ninety days before presented at bank.’

“Here are the very benefits, which the charge presupposes it was the desire and intention of the Secretary of the Treasury to confer upon the Pennsylvania bank, specifically pointed out and earnestly urged upon the Bank of America in New York, and which, be it remembered, that bank would not accept. It cannot be necessary that I should trouble the Senate with further extracts from this correspondence to rebut so groundless and improbable a charge.

“The correspondence to which I have hitherto alluded, in relation to the sale of these bonds, will be found among the docu-

ments appended to the Secretary's report, commencing at page 20, and marked D, 1 to 17 inclusive.

"This brings me, in point of time, to the negotiations which did take place between the bank and the Secretary of the Treasury, and resulted in the sale of one of the bonds upon the terms prescribed in the law. The first step in this negotiation is a letter under date of the twenty-first of July, written by Mr. Macalester to the Secretary of the Treasury, and is in the following words:

" ' WASHINGTON, *July 21, 1838.*

" ' SIR. — I have the honor to submit to you the following proposition for the purchase of two bonds of the Bank of the United States chartered by Pennsylvania, referred to in your advertisement of eighteenth instant.

" ' I will give, for one or both of them, the par value, calculated according to the rules for estimating the par value of securities upon which interest has run for a time, but which securities have not reached maturity; the settlement to be made on first of August next, on which day I will deposit the amount thereof, to the credit of the Treasurer of the United States in special deposit in the Bank of the United States, in Philadelphia, *in specie or its equivalent*; this being done, you will then execute to me an assignment of the bonds.

" ' I am, very respectfully, your obedient servant,

" ' C. MACALESTER.

" ' Hon. LEVI WOODBURY, *Secretary of the Treasury.*'

"The reply of the Secretary to this proposition is under date of the thirtieth of July, and is an acceptance only so far as relates to the one bond to fall due in September, 1839. The following is the letter :

" ' TREASURY DEPARTMENT, *July 30, 1838.*

" ' SIR. — Your offer of the twenty-first instant, to purchase one or both of the bonds of the Pennsylvania Bank of the United States, at the par value, as limited in the act of Congress, is accepted for the bond due in September, 1839.

" ' The proposal being to deposit the money to the credit of the Treasurer, in special deposit in said bank, on the first day of August next, I have caused a computation to be made of the amount then payable by you. It is supposed to be \$2,254,871.38, and is ascertained in the mode of calculation explained in the letter annexed.

" ' That sum can be deposited; and if any error is found in the calculation, it will be corrected. On receiving the certificate of deposit, I will execute to you an assignment of the bond. It is understood that the bank is to

keep this money safely till drawn out by the Treasurer, without making any charge to the United States for keeping or paying it over on his drafts.

“ ‘ I am, very respectfully, your obedient servant,

“ ‘ LEVI WOODBURY,

“ ‘ *Secretary of the Treasury.*

“ ‘ CHARLES MACALESTER, Esq., Philadelphia.’

“ ‘ In conformity with this proposition and acceptance, the president of the bank writes to the Secretary, under date of the first August, as follows :

“ ‘ BANK OF THE UNITED STATES, *August 1, 1838.*

“ ‘ SIR.—You will be informed by Mr. Macalester of his having this day deposited in this bank the sum of \$2,254,871.38, to the credit of the Treasurer of the United States.

“ ‘ In your letter to Mr. Macalester of the thirtieth ultimo, directing that the money should be deposited in the bank, you add: “ ‘ It is understood that the bank is to keep this money safely till drawn out by the Treasurer, without making any charge to the United States for keeping or for paying it over on his drafts.”

“ ‘ On the part of the bank I confirm that understanding.

“ ‘ With great respect, yours,

“ ‘ N. BIDDLE, *President.*

“ ‘ Hon. LEVI WOODBURY,

“ ‘ *Secretary of the Treasury, Washington, D. C.*’

“ ‘ Of the same date the cashier of the bank transmits to the Secretary of the Treasury, or to the Treasurer of the United States, the following certificate of deposit, being for the precise amount mentioned in the Secretary’s letter of acceptance, above given :

“ ‘ BANK OF THE UNITED STATES, *August 1, 1838.*

“ ‘ I hereby certify that Charles Macalester, Esq., has this day deposited to the credit of the Treasurer of the United States, *in special deposit*, the sum of \$2,254,871.38, subject to the drafts of the said Treasurer.

“ ‘ J. COWPERTHWAIT, *Cashier.*’

“ ‘ This presents the negotiation, the sale and the payment of the third bond, in the language and acts of the parties, and from it a few inferences are to be drawn.

“ ‘ *First.* The negotiation proceeds from the bank, and not from

the Secretary of the Treasury. He does not solicit the bank to purchase, but the bank solicits him to sell, and offers its terms.

“*Second.* Although the proposition from the bank is before the correspondence between the Secretary and the president of the Bank of America was closed, and on the same day on which the agent of the foreign banking-houses closed the correspondence between him and the Secretary, by a letter written at New York, yet the Secretary does not accept that proposition until nine days after its date, and three days after the final close of every other negotiation for the sale of the bonds in this country, without the least prospect of success.

“*Third.* It was the only proposition for the purchase of the bonds coming within the limitations of the law, which he had been able to obtain, or was likely to obtain, in this country.

“*Fourth.* The proposition was accepted as to one bond only, although it was an offer to purchase both upon the same terms, and those the terms prescribed in the law.

“Is it possible, then, that the Secretary was desirous of a connection with this bank, and to benefit it by a sale of these bonds to it? If so, why did he not invite this bank to purchase during the ten or twelve days upon which he was so faithfully soliciting offers from other banking institutions, and from individuals? Why did he not accept at once the proposition of this bank, when made on the twenty-first of July, and not wait till the thirtieth, and until all prospect of obtaining an offer from any other quarter was put entirely at rest by the final close of two separate negotiations, both of which were open, so far as his knowledge extended, when this offer was received? Why did he not accept the proposition as to both bonds, and thus confer upon the bank double the benefits which were conferred, if benefits they were, by his partial acceptance? Until these questions are answered, the charge that the Secretary sought this transaction with the bank, or sought the advantage of the bank in the sale of these bonds, should cease to be made.

But the Secretary had not heard from the negotiations opened by him in England and France for the sale of these bonds, and how, it may be asked, did he know that favorable propositions might not come from those quarters? Or why did he not wait

to be informed upon those points, before he closed the transaction with the bank, by the sale of the third bond? This inquiry has already been answered in the extracts read from the report of the Secretary now under consideration. He says at page 3 of the report:

“‘In the meantime, however, finding that the demands for the public service during the month of June had exceeded \$4,500,000 and expecting, *as the fact turned out to be*, that they would equal about \$7,000,000 in July and August, and finding also that the available balance in the treasury, applicable to general purposes and subject to draft, fell below \$1,000,000, and that payments *were making* at times in *new treasury notes*, which could not be rendered at all available, *I considered it necessary to effect a sale of at least one of the bonds at an earlier day than advices could be received and any proceeds realized from Europe.*’

“This is the answer of the officer himself, made upon his official responsibility, in reply to the inquiry above anticipated, made by the Senate itself. What is it? That the state of the treasury would not permit him to wait for a sale of both of the bonds; that it was, in his opinion, ‘*necessary to effect a sale of at least one of the bonds at an earlier day than advices could be received and any proceeds realized from Europe.*’ Is this answer true? Does any one here doubt it? Will any one here attempt to impeach it? Then the inquiry is answered, and here is the reason why the Secretary, in July, and before he had received returns from his foreign correspondents, accepted the offer of the bank as to one and not as to both bonds.

“These correspondents abroad, however, were heard from in due time, and what were their answers? That the bonds were too large and could not be divided into smaller sums for the market; that they had too short a time to run to make them an object for the investment of such heavy sums; and that their final payment was not to be guaranteed by the United States; that for these reasons, principally, they could not be sold in England or France within the terms of the law. I will not trouble the Senate with reading this correspondence. It will be found among the documents appended to the report, marked C, 1 to 5, inclusive.

“It is further complained that the Secretary of War took a part in this negotiation with the bank. He did so, and what was it?

He shall answer for himself, as his language upon the subject will convey the truth more clearly, concisely and intelligibly than any I can employ will do it. I read from the documents appended to the message of the President of the eleventh instant, in answer to the call made by the Senate upon him for all the information upon this point, being the report of the Secretary of War in reply to the interrogatories propounded. At pages 1 and 2 of the document the Secretary says:

“ ‘I have the honor to state that, some time in July last, in order to facilitate the speedy and successful termination of a negotiation at that time pending between the Secretary of the Treasury and Mr. Macalester, I acceded to the proposition of the latter that, in the event of the sale of the bond being perfected, the amount of the purchase-money should be absorbed by the expenditure of this department, and the funds to be placed by the bank at such points and in such amounts as they might be required, not to exceed \$500,000 a month from this source; and gave him an assurance that this arrangement should be carried into effect, provided no objection were made to it by the Secretary of the Treasury. Mr. Macalester was accordingly furnished with a statement, showing at what places and periods and in what amounts these funds would be wanted, a copy of which is herewith furnished, marked A. This arrangement was, on proper explanation, subsequently concurred in by the Secretary of the Treasury, and its details have been carried into effect through his office; and I have reason to believe that it aided essentially to produce the favorable issue of the negotiation. It has been carried into effect in a manner perfectly satisfactory to this department, the public creditor having been paid in such funds as he preferred to receive. I think it proper to mention that, while Mr. Macalester was conducting his correspondence with the Secretary of the Treasury, in April, he applied to me to know the probable requirements of this department for the residue of the year; and finding that in all probability they would be very heavy, he expressed a desire, which was subsequently reiterated by the bank, that the purchase of the bond should be negotiated by me and the bond be transferred to the use of the War department; to which I replied, as stated by Mr. Biddle in his published letter to the Secretary of the thirteenth August, that such an arrangement could not legally be made. That subsequently entered into by this department with Mr. Macalester, on which in a great measure depended the success of the negotiation for raising the necessary funds for carrying on the operations of the government, and which was afterward sanctioned by the Secretary of the Treasury, being both legal and advantageous to the interests of the United States, I deem it unnecessary to say more than to repeat the opinion expressed by the Secretary of the Treasury in his report on this subject, that the agreement finally

concluded with the bank was forced upon the government by the conditions imposed upon the sale of the bonds, and was entered into upon the fullest conviction — which subsequent events have proved to be well-grounded — that it was not only the most advantageous which could be made for the interests of the government, but presented at that time, in connection with the arrangement for the mode of paying the bond due in September, 1838, the only means by which a failure to meet the pecuniary engagements of the United States or the alternative of another call of Congress by the President could be avoided. Under these circumstances and with these convictions, I regarded it to be my duty to use my best endeavors to assist in bringing the negotiations for the sale of the bond to the bank to a successful issue, especially as these funds were required to carry on the important operations of this department, on which at that particular period the peace and the character of the country so essentially depended.'

"From the facts here stated, we learn that the bank, in making its propositions for anticipating the payment of the second bond, to become due in September, 1838, as well as to purchase the two bonds which did not fall due until September, 1839 and 1840, kept steadily in view the disbursements of the War department, and constantly manifested the intention of making the payments by meeting those disbursements. Hence, in April, when Mr. Macalester was holding his correspondence with the Secretary of the Treasury, and making his propositions, as the agent of the bank, for anticipating the payments upon the second bond, which correspondence has been before particularly referred to, he applied to the Secretary of War, as is here stated, to ascertain the requirements of that department for the residue of the year 1838, and, finding they would be large, urged that the bank bonds should be assigned to that department, so that the negotiations of the bank might be carried on with it. Being informed that such an assignment could not be legally made, the negotiation was prosecuted to its unsuccessful termination with the Secretary of the Treasury, as has been before seen. On the twenty-first of July, and after the law had passed for the sale of the third and fourth bonds, a negotiation was opened by the bank with the Secretary of the Treasury for the sale of those bonds, and again, as appears by the above statements of the Secretary of War, the same appeals were made to him, and the same desire expressed that the payments by the bank might be made in the disbursements of his department. Being convinced that payments in that manner

would, by the bank, be made an essential condition in the negotiation, the Secretary expressed his willingness to accept the payments as desired, provided such an arrangement should meet the approbation of the Secretary of the Treasury.

“On the twenty-third day of July Mr. Macalester reopened the negotiation with the Secretary of the Treasury, for an arrangement as to the payments upon the second bond, which negotiation was continued open until the fifteenth of August. when it was closed, by an agreement that that bond should be paid in three monthly installments of equal amounts, and that the drafts of the Treasurer, for the money, should be met by the bank, at the places where they should be made payable, which places, and the amount of drafts to be drawn upon each, constituted a material part of the treaty.

“If, now, we bear in mind that the same mode of payment of the purchase-money for the third bond was the object of the collateral negotiation carried on with the Secretary of War, anterior to the purchase of that bond by the bank, we shall be able to understand the facts, without the danger of becoming confused by blending the two distinct transactions. The Secretary of War tells us that, being convinced it was necessary to a favorable issue of the pending negotiation for the sale of this third bond, he entered into the stipulation to have the proceeds of this bond devoted to the disbursements of the War department; to have the payments made at stipulated places in the south and west, in stipulated amounts at each place, and to draw but about \$500,000 monthly from this source, upon the condition that the Secretary of the Treasury should consent to the arrangement; that he supposed the matter was subsequently submitted to the Secretary of the Treasury, and concurred in by him, and he now thinks the agent of the bank closed the contract for the purchase of the bond with this understanding, and that the successful termination of that negotiation, in a great measure, depended upon that collateral arrangement. He also expresses his full conviction of the necessity of the sale of this bond for the successful prosecution of the affairs of government intrusted to his charge, ‘on which, at that particular period, the peace and character of the country so essentially depended.’

“Not a Senator in these seats can, for a moment, mistake the important and delicate interests to which the Secretary of War refers in using this language. None here can forget the intense interest felt throughout the whole country in the successful removal of the numerous and powerful tribes of Indians from the south and south-western States. None here are ignorant of the vast sums of money the government had stipulated to pay to extinguish the title of these Indians to their lands within the States, to pay the expenses of their removal, and to subsist them at their new homes; and none anywhere who know anything of the Indian character can be ignorant of the necessity of having, at the moment, the money stipulated to be paid to or for him. If money is due to the Indian, he must have money; and he must have it when you have stipulated to pay it, or your business transactions with him are at an end. You cannot tell him of embarrassments or disappointments. You cannot talk to him of credit, beyond the letter of your bond, and retain his confidence. Who, then, will be surprised at the anxiety manifested, and the responsibility assumed by the Secretary of War to secure, by the sale of this bond, the requisite funds in the treasury to accomplish that complete removal of these great tribes which has been accomplished during the past year, and which does, and will, reflect so much honor upon that capable and persevering public servant?

“I am aware that some of the correspondence would seem to imply some misunderstanding between the Secretaries of the Treasury and of War, in relation to this collateral arrangement as applied to the proceeds of the third bond, and the correspondence renders it more than probable that the one or the other had labored under a misapprehension, and had interpreted verbal conversations intended to be applied to the mode and manner of payment of the third bond as relating to the mode and manner of making the anticipated payments upon the second bond. Still, the facts show that the agent of the bank made these stipulations essential to the closing of his contract in both cases, and that he was authorized to believe that they were understood by all the parties to constitute a component part of that contract. The facts also show that the money to be derived from both negotia-

tions was indispensable to the healthful operations of the public treasury, while national interests of the gravest character depended upon the ability of the treasury to redeem the plighted faith of the country.

“What, then, I ask, Mr. President, with some confidence, is the judgment to be rendered upon these transactions? Are the executive officers of the country to be censured and condemned for having entered into any negotiations with this bank in relation to the payment of these bonds, and the supply of an exhausted treasury from that source? And, if so, upon what ground? Had Mr. Woodbury said to Mr. Biddle, ‘I, sir, am opposed to your bank; the political party to which I belong, and with which I act and feel, are strongly opposed to it, and I will not, therefore, negotiate with you about your bonds; I will not sell to you upon any terms, be the consequences what they may; my political hostility, and the hostility of my political party, forbid that I should have any business transaction with you;’ had our Secretary of the Treasury taken this course, and failed to realize the money upon the bonds, in time to meet the calls upon the treasury, as in that event he must; and had we returned here and found the Creeks and Cherokees not removed from Georgia, Alabama and Tennessee; the military force withdrawn from Florida for want of subsistence; the western and northern frontiers unguarded and the public works abandoned, what would have been the public judgment upon the conduct of the Secretary then? What would have been the judgment of this body? Who then would have stood up here to defend the conduct of the Secretary of the Treasury, and who to accuse and condemn him?

“Sir, so broad and untenable ground as this will not be assumed; but it may be said that the informal and collateral understanding, to which the Secretary of War was a party, has vitiated the transactions and gives cause for censure. Let us, for a moment, look at the facts. The money could be realized upon the bonds, in time to meet the wants of the treasury, from no other quarter than this bank. It could not be realized from the bank but by consenting to these collateral arrangements as to the times, places and manner of payment. The money was to be placed in the bank, ‘*in special deposit*,’ to the credit of the Treasurer, and it

was so placed. Upon the strength of this deposit the Treasurer was to draw his drafts for the public disbursements in stipulated amounts, and make them payable at stipulated places, and, without presentment at the bank, it was to pay them at those places '*in specie or its equivalent*,' and there is no allegation that they were not so paid. The places of payment were named by the heads of the departments which had the superintendence of the disbursements, as were also the sums to be paid at each, and both with a strict reference to the wants and convenience of the public service; and it has not been asserted that inconvenience or loss arose to that service from either, while the contrary is positively shown by both the reports under consideration. The negotiation for the sale of the third bond was closed, and the money paid, on the first of August; and that for the payment of the second bond, and the first installment paid, on the fifteenth of the same month. On the thirteenth, two days before the last payment mentioned, the bank resumed specie payments, so that, however much these negotiations may have contributed to that highly desirable result, the bank became a specie-paying bank before a single draft upon the money in deposit to the credit of the Treasurer could have passed from the hands of the officers and agents of the government, if any such drafts had been drawn at that period.

"These are the facts, and would they have justified the Secretary of the Treasury, even supposing him to have known and assented to the collateral stipulations as to the manner of payment for the bond sold, in refusing to accept the terms offered by the bank, and thus to have incurred the consequences to which I have before alluded? I think not, Mr. President; but, as my task in reference to this part of the connection between the government and the Pennsylvania bank is performed, as I have recounted the facts and the history of the transactions, I know tediously, but I hope faithfully, I cheerfully leave the Secretary of the Treasury, and all the other actors in them, to the judgment of the Senate and the country. If condemnation is to follow, I only desire that the judgment may rest upon the truth, and that I have attempted to exhibit.

"Another connection has been formed between the government

and this bank, which is represented as still more alarming and ominous than the one from which we have just passed. I congratulate the Senate, and certainly myself, that the facts, in this latter case, are concise, simple and plain. I propose, therefore, to read them all to the Senate ; first seeing out of what relations they have arisen.

“The Bank of Kentucky was one of the deposit banks, under the law of 1836, ‘to regulate the deposits of the public money.’ It, with almost all the banking institutions of the country, suspended specie payments in May, 1837, then having a very large amount of the public money in its hands, for which it could not account according to law. This bank availed itself of the provisions of the law of the extra session of Congress of 1837, granting time for payment to the deposit banks at their option, and gave bonds to secure the payment of the amount due from it to the treasury in three equal installments ; the first to be paid on the 1st day of July, 1838, the second on the 1st day of January, 1839, and the third on the 1st day of July, 1839, with six per cent interest. The installment due in July, 1838, was paid, and nothing more was due upon the bonds until the first day of the present month. Still, under date of the 5th day of September, 1838, the president of the bank wrote to the Secretary of the Treasury as follows :

“ ‘ I shall, during the course of the present week, remit to you a check on Philadelphia, for \$300,000, in part payment of the debt due by this bank.’

“Under date of the tenth September, the president of the bank again writes from Louisville, Kentucky, to the Secretary, in the following words :

“ ‘ SIR. — I hand you, inclosed herewith, a check on the Bank of the United States, Philadelphia, in your favor, for \$300,000, intended as a payment on the amount due the Treasurer of the United States by this bank.’

“On the seventeenth day of September, McClintock Young, the chief clerk in the Treasury department, and, at the time, acting as Secretary of the Treasury, during a temporary absence of the Secretary, acknowledges the receipt of the check mentioned in the above note from the president of the Bank of Kentucky, in the following language :

“ ‘**SIR.**—I have to acknowledge the receipt of your letter of the tenth, with its inclosure. I have specially directed the check for \$300,000, drawn by your cashier upon the Bank of the United States, in favor of Levi Woodbury, Secretary of the Treasury, to be placed to the special credit of the Treasurer of the United States, with whom all accounts are kept, and to whom all payments and transfers of balances of that kind should be made. Whether the bank will consider my indorsement sufficient for that purpose, remains to be seen.’

“ On the same day Mr. Young, acting in the same character, writes to the cashier of the Bank of the United States of Pennsylvania, at Philadelphia, as follows:

“ ‘**SIR.**—The inclosed check has been this day received from the Bank of Kentucky; and I will thank you to place the amount (\$300,000) to the special credit of the Treasurer, and acknowledge the receipt of the sum to him.’

“ The request of Mr. Young was complied with by the bank, and the amount of the check placed to the special credit of the Treasurer of the United States upon its books. These are all the facts in this case, and, from them, some see a most dangerous and alarming evidence of a disposition, on the part of the executive officers of the government, to reunite the treasury of the country to this banking institution, in its new character of a State bank. Is such a conclusion fairly deducible from the premises? The Bank of Kentucky was, at this period, indebted to the United States in the sum of about \$600,000. No part of the amount was due until the 1st of January, 1839, and therefore the officers of the treasury were not authorized to expect remittances from that quarter, until the receipt of the notice from the president of the bank on the fifth of September. In five days from the date of that note the draft followed, which must have been before the notice could have reached the Treasury department. On the seventeenth of September the draft comes, in the absence of the Secretary of the Treasury. It is drawn payable to him in his individual and official name, and is upon the Pennsylvania bank. Was it wrong in Mr. Young to take a draft upon that bank in payment of a debt due to the treasury, provided it should be duly honored? Much as I have and do dislike that institution, I am not prepared to say that the officers of the government would be justified in visiting it with that

measure of proscription, and I do not suppose any will pronounce censure upon that act. Mr. Young took the check and acknowledged its receipt in the language above quoted, informing the president of the Bank of Kentucky that it ought to have been made payable to the Treasurer, not to 'Levi Woodbury, Secretary of the Treasury,' and that he did not know whether the Pennsylvania bank would consider his indorsement sufficient to warrant the payment of the amount to the Treasurer. He must send the check to the bank to determine this point, and he must send it there for collection. The bank was then holding a large sum on deposit, to the credit of the Treasurer, as the proceeds of the bonds, and was meeting the drafts of the Treasurer for disbursements, at a greater number of points, and to larger amounts, than any other banking institution in the country. The money to be realized as the proceeds of this draft would be as valuable at Philadelphia as at any point in the country, and more valuable than at any other points except New York and Boston ; and for disbursements in the south and south-west, it would be even more valuable at Philadelphia than at the latter place. There were no general deposit banks holding public money under the deposit law of 1836, to which the proceeds of this draft could have been transferred, without depreciating the funds, and placing them more inconveniently for public use. By what obligation of duty, then, was the Secretary of the Treasury called upon to transfer this amount at all, for the mere purpose of safe-keeping? Will it be pretended that the money was unsafe in the Pennsylvania bank? I presume not. Little as is my confidence in the institution, in any sense, it is not yet so perfectly impaired as to enable me to believe that this money is not secure, for the short time it may remain in its vaults, before it is called out for the use of the public creditors. I cannot, as yet, by my public acts, express such an opinion of this bank. Why, then, I again ask, was the Secretary to withdraw the money from that resting place but for purposes of public disbursement? That bank was, at the time, a depository of public money of a special character, and for a temporary purpose and period, but it was making disbursements and meeting the drafts of the Treasurer, and was therefore a convenient location, so far

as the public service was concerned, for this money. If the Secretary had transferred it, he must either have placed it in some other bank, which was also a depository of a special character, holding the trust, like this bank, by the selection and at the pleasure of the Secretary, and not under the law of 1836, or to a general deposit bank inconveniently located, and where the money would be less valuable. Was it his duty to do either; and, if so, upon what ground? Not to secure the safety of the funds, because they were as safe where they were as in any place it was in his power to place them. Not to make the money more valuable, because it was at a point where it was as valuable for public disbursement as any point which the country presented. Not to promote the convenience of the public service, because that convenience was best consulted by leaving the money where it was. He did not put the money in this bank. It was to be paid to the Treasurer there; it was paid to the Treasurer there, and there the Secretary of the Treasury, acting through his chief clerk, Mr. Young, left it in safe-keeping until the wants of the treasury should call it thence. This is his fault, if fault he has committed. Was he, then, bound to transfer this money, merely to show his hostility against this particular banking institution? If transferred at all, it must have been transferred to some other bank, for neither the laws of Congress nor the practice of the department authorized the Secretary to transfer the proceeds of this draft to any public officer of the country, simply for the purpose of safe-keeping. Was the Secretary of the Treasury, then, bound to transfer these funds to a general deposit bank, where their value to the public would be diminished, or to some other special deposit bank of his own selection, not for any purpose of public utility, but merely to show the hostility of himself and his friends toward this particular bank? This is the plain, direct and simple question presented, and this the issue formed in relation to this deposit in the Pennsylvania bank.

“It may be, Mr. President, that blame to the Secretary of the Treasury, and blame to other executive officers of the country, should proceed from this transaction. It is not my province, nor is it my desire, to pronounce the judgment which the Senate or the people will form. It is enough for me that I have exhibited

the facts fully, and presented these consequences, which were unavoidable in any course the Secretary might have chosen to take. That being done, I leave the matter to this body and the country, with a respectful confidence that the motives of that officer will be spared, in any event, who has had the magnanimity to sacrifice his personal feelings and strong hostilities to the profit and convenience of that branch of the public service committed to his charge.

“I now pass, sir, to a very different branch of the facts presented in the case before us. I refer to the published letter of Mr. Biddle, the president of the Pennsylvania bank, which has been adduced to the Senate as evidence of the improper connection between the government and his bank. The paragraph of that letter to which I particularly allude is in the following words :

“ ‘ In the month of July the government agreed to receive an anticipated payment of the bonds of the bank to the amount of between \$4,000,000 and \$5,000,000, in a credit to the Treasurer on the books of the bank—and arrangements were made for the more distant public disbursements in the notes of the bank. These arrangements, as honorable to the executive officers as they were beneficial to the public service, brought the government into efficient co-operation for the re-establishment of the currency, and opened the way to a resumption of specie payments. The resumption accordingly took place throughout the middle States on the thirteenth of August, and in many of the southern and western States soon after.’

“If I have been at all successful in my exertions hitherto, the Senate now fully understands the whole affair of the ‘anticipated payment of the bonds,’ and is able clearly to judge how far this brief and easy mention of a compliance, on the part of the officers of the government, with the repeated and untiring solicitations of this bank to arrange the payment of one of these bonds partly by anticipation, and to sell another of them to the institution, from an utter inability to find another purchaser in the markets of the whole world, makes a true representation of the facts of the case to the mind of the reader,—how far the public, to whom this letter is given by its author, would be likely to be impressed with the truth from this assumed representation of it. An agreement to make payment in a ‘special deposit’ to the credit of the Treasurer is converted into an agreement to anticip-

pate the payment of the bonds 'in a credit to the Treasurer on the books of the bank,' while the certificate of the bank of the *special deposit* is a matter of record in the Treasury department. An agreement to pay '*in specie or its equivalent*,' an invariable qualification to all the stipulations, is converted into 'arrangements' 'for the more distant public disbursements in the notes of the bank.' This is the *evidence* from this source, and such is the witness upon whose testimony before the country, voluntarily given, our highest executive officers are to be condemned unheard. How far this witness is supported by the facts I most cheerfully leave the Senate to determine; but I must, on behalf of the officers concerned, protest against the compliment so confidently and so injuriously forced upon them by the president of the bank. They can bear the hostility of this institution but they cannot bear its praise, and most certainly not when that praise is shaped — as it is in this part of the letter from which I have read — to suit the views of a malignant opponent.

"To give to the writer of the letter, however, all the foundation which possibly can be claimed for his statement of the facts, I will detain the Senate to make a few references to another document. I refer to the message of the President, of the ninth instant, in answer to a call from the Senate for all orders and instructions issued by heads of departments, heads of bureaus and the Postmaster-General relative to the kind of money and bank-notes which might be paid out on account of the United States, since the 14th day of April, 1836. The message communicates answers to the call from all the heads of all the departments and bureaus who have issued any such orders or instructions within the period mentioned, but the present purpose does not require that I should refer to any other than those from the Secretary of War and the heads of bureaus in that department. These references shall be as brief as the occasion will permit, and it is here also my intention to let these officers speak, principally, for themselves.

"The Secretary of War, in submitting to the President the answers to the call from his department, says:

" 'In submitting these reports, it is proper to remark that the circulars from the Paymaster's, Quartermaster's, Engineer and Indian departments, in

October, were issued at a period which required the exercise of great forbearance and discretion in the management of the fiscal operations of this department, in order to avoid, as far as practicable, embarrassing the money concerns of the country. I had been informed, from credible sources, that a rigid exaction of specie to meet all our disbursements in the south and west would *retard the resumption of specie payments*, embarrass the operations of those banks that had resumed, and prove seriously prejudicial to the interests of commerce in that portion of the country.

“ ‘Influenced by these impressions and acting under these views, which I had urged upon all branches of the department, these circulars were issued, *and in some respects exceed what was intended*; and upon being brought to the notice of the present chiefs of bureaus they have modified them so as to render the instructions more strictly and distinctly conformable to existing enactments. At the same time it must be borne in mind that the Bank of the United States was, at the period of issuing the circulars, a specie-paying bank; and that to have exacted specie from the banks in the south and west which were indebted to that institution, or in which it had deposited funds to meet the drafts of the treasury for war warrants, would not only have been of no aid to the public service, but would have inflicted injury alone upon those banks *and been prejudicial only to the trade of the south and west.*’

“ Here we have the views of the Secretary, and the motives and policy by which he intended to be governed in the administration of the affairs of his department. The time was one of great difficulty. The banks of the north and middle States had resumed specie payments and those of the south and west were struggling to reach that desirable point. The disbursements of his department were to be principally made in the south and west; and the drafts of the Treasurer for that purpose were, by the arrangement with the Bank of the United States in relation to the payment of two of its bonds, to be met, to much the greatest extent, by that institution. The supposition of the Secretary was natural and necessary, that those drafts would be met by calls upon its debtor banks in those sections of the Union where the payments were to be made, and by deposits of funds in the banks there. Hence his proper and laudable anxiety, so far as an observance of the law and of the unquestioned rights of the public creditors would permit, to make those heavy disbursements in a manner the least injurious to the banking institutions, the trade and commerce, and the business generally of those sections, and so as, in the least possible degree, to ‘retard the resumption

of specie payments' in the south and west; and hence, too, he urged these views and this policy 'upon all the branches of the department.' Still, he tells us that the orders and instructions issued by some of the heads of bureaus in the department 'in some respects exceed what was intended.'

"Satisfied that the motives of the Secretary, as avowed by himself, must be universally approved, and that the policy he adopted for the government of his department was proper and right, so far as it was wisely pursued and properly carried out, I now proceed to refer to such of these 'orders and instructions' as, if any, must be considered exceptionable. The first, in the order of time, is a direction given by the Secretary himself, in relation to the payment of pensioners. The date of this circular is May, 1837, the month in which all the banks of the country, comparatively speaking, suspended specie payments, and is in the following language:

" 'In the present state of the currency, and during the general suspension of specie payments, it would be unjust to the pensioners to withhold from them the means of purchasing the necessaries of life, by a rigid adherence to the letter of the law. The agents, therefore, will be authorized to pay them in such currency as the receivers demand and are willing to consider an equivalent for specie.'

"This order furnishes upon its face the best justification of which it is susceptible, and, therefore, without a single other remark, I pass to the circular of the Chief Engineer, which bears date 6th October, 1838, and is in the following words:

" 'SIR.—It will conform with the understanding existing between the department and the depository banks, that whenever your payments on the public account cannot be made by checks on the banks, a tender of the notes of the bank on which the treasury draft was drawn will be made, and that in no case specie be exclusively exacted, unless the notes of said bank will not be received by the public creditor.

" 'The observance of this rule will be of general accommodation, and be sustained by the department.'

"This is one of the 'orders' to which the Secretary expressly applies the remark, in his report above quoted, that they 'in some respects exceed what was intended.' It will be proper here to add that, under date of the 20th October, 1838, the head of the Indian bureau issued a circular in the precise language of this

one, and that the present heads of both these bureaus, when the existence of these directions from their respective branches of the department were made known to them, instantly so modified them as to bring them within the express and unquestioned terms of the existing laws in reference to the disbursement of bank-notes.

“A circular from the office of the Paymaster-General was issued under date of the 8th October, 1838, which is as follows:

“‘SIR. — Arrangements having been made with the United States bank to pay the Treasurer’s drafts to a certain amount at different places, and it being probable the notes of that bank will be as acceptable to claimants, and in some cases more convenient than specie, you will, should you receive drafts on that bank or its agents, make as many of your payments by check as you can, which will give the receiver the option of taking paper or specie; and the department has no objection to your using the paper of that bank in all your payments, so far as it can be done legally.’

“The only other of these ‘orders and directions’ to which I propose to refer was issued from the office of the Quartermaster-General, and bears date 31st October, 1838. Its language is:

“‘Whenever remittances on the public account are made to you by the Treasurer of the United States in notes of the United States Bank of Pennsylvania, or by drafts of that institution on local banks or agents, it is desirable that, instead of demanding specie from the local banks or agents, you receive from them and disburse the bills of said “Bank of the United States,” in all cases when such bills may be entirely satisfactory to the individuals to whom payment may be made.’

“The Quartermaster-General states that this circular was sent to but eight officers of that department, and that, understanding a construction had been given to it to authorize the payment out of notes of less denominations than those allowed by the law of the 14th of April, 1836, those officers were immediately instructed that the direction was to be construed in conformity with that law, and not otherwise.

“The number of orders and directions transmitted with the message of the President is very great; but, upon a careful perusal of them all, I consider those referred to above the only ones which have material reference to the disbursements to be made under the arrangements with the bank, and all which go a step to show that the bills of the bank were agreed to be disbursed, as a part

of these arrangements. And now, Mr. President, permit me to ask how far any of these orders authorize the assertion of the president of that institution that 'arrangements were made for *the more distant* public disbursements in the notes of the bank?' We have seen that the arrangements between the Secretary of the Treasury and the bank, in fact, were that the payments should be made '*in specie or its equivalent*,' and so far as the collateral stipulation with the Secretary of War may be considered a part of those arrangements, that the same medium of payment was required and agreed to be made by that also. In these negotiations, then, there were no 'arrangements made for the more distant public disbursements in the notes of the bank,' or for any disbursements, near or distant, in those notes, any further than they might be considered embraced in the terms *equivalent to specie*; and how far that might be would, of course, in all cases, depend upon the will and choice and estimation of the public creditor to whom payment was to be made. It will certainly not be pretended that orders from the head of a department or a bureau, containing simply directions for the government of the subordinates of that branch of the service, can change the terms of these contracts, or give to either party rights which were not conferred by the contracts themselves. If 'arrangements were made' between the executive officers and the bank 'for the more distant public disbursements in the notes of the bank,' the right was conferred upon the latter to make those disbursements in such notes, independent of any relations or rights between the government and its creditors, and a tender of the notes would be good payment as between the government and the bank. Is such a right pretended or claimed by the bank, growing out of the arrangements for the sale and payment of its bonds? It has not been and is not. On the contrary, if no such 'arrangements' were made or right conferred by the contracts, then nothing in the 'orders and directions' from the heads of departments and bureaus to the disbursing officers could make the one or confer the other. In this aspect of the case, therefore, the president of the bank was not authorized by the facts to say that 'arrangements were made for the more distant public disbursements in the notes of the bank.'

“ While upon this part of the case, another inquiry should be made. Did these ‘orders and directions’ assume to confer upon the bank the right to make disbursements in its notes? I here most freely express my dissent from the policy and practice indicated by some of these circulars. The Secretary tells us that some of them, ‘in some respects, exceed what was intended’ by him, and I think some of them go beyond a sound and safe rule. I cordially concur in the views and policy upon which the Secretary acted, as expressed by himself; but I think some of the circulars go much farther, and, instead of adopting a policy which was calculated to hasten the resumption of specie payments in the south and west, and to restore the currency to a sound state in those sections of the Union, must, if continued in force and acted upon, have had a strong tendency in the opposite direction. Did they, however, assume to confer the *right* to make public disbursements in bank-notes? Not one — not even the broadest of them. They urged the policy of making disbursements in that medium, ‘so far as it can be *legally* done,’ ‘in all cases where such bills may be *entirely satisfactory* to the individuals to whom payment may be made;’ ‘unless the notes of said bank *will not be received* by the public creditor,’ etc. Thus, in all cases, deferring to the option of the public creditor, and to his legal rights, the question of making disbursements in bank paper. The orders, therefore, did *not assume* to confer the right to make ‘public disbursements in the notes of the bank,’ and even they, broad and indefensible as some of them seem to me to be, do not bear out the president of the bank in the declaration referred to. Yet this individual goes on to say, ‘these arrangements, as honorable to the executive officers as they were beneficial to the public service, brought the government into efficient co-operation for the re-establishment of the currency, and opened the way for the resumption of specie payments.’ What ‘arrangements’ are here referred to? Evidently those spoken of in the previous sentence of the letter, ‘for the more distant public disbursements in the notes of the bank.’ Having shown that no such ‘arrangements’ had been made between ‘the executive officers’ and the bank, I may be permitted to hope that those worthy officers will not be made to suffer in the public estimation under the blight-

ing influence of the compliment so gratuitously bestowed upon them.

“Here, Mr. President, suffer me to ask, why do you think this letter of Mr. Biddle was given to the public? Was it, do you believe, to bestow credit upon the executive officers of this government, or to manifest his connection with and attachment to this administration? If this was the motive, some of his able and sagacious friends upon my right must feel surprise at his want of sagacity. They tell us, almost daily, that the cause of this administration is a sinking cause; that ours is a falling house, and they must deeply regret that this sagacious banker should now conclude to join his fortunes, and those of his institution, to such an interest. Sir, these gentlemen will tell you that no such desires and objects have given this letter to the light. Was it, then, to speak of the negotiations between those executive officers and the bank, and to do them justice in that particular? No, sir. No. In my opinion no such negotiations have prompted this letter, but certain negotiations which the sagacious writer foresaw were about to take place at Harrisburg, in his own State, were the moving causes to this public address, in the shape of a letter to an individual correspondent. The bank had been too deeply concerned in the singular political transactions which were agitating a great State. Success began to be doubtful, and a change of position, in advance, was found to be advisable. Hence these quiet and peaceful declarations, and these amicable appearances toward ancient enemies. Hence this abandonment of mercantile speculations, and this neutrality of posture in reference to future events. From considerations like these, sir, I believe this letter was written, and not from any change of feeling or spirit on the part of the writer, or the institution over which he presides.

“I must ask a little more of your time, Mr. President, upon this letter. The writer says the transactions between the government and the bank, of which I have spoken so elaborately, ‘brought the government into efficient co-operation for the re-establishment of the currency, and opened the way to a resumption of specie payments!’ The arrogance of this expression is so excessive as to excite no other emotion than that of ridicule.

That the government had been, from May, 1837, not co-operating with the bank, but efficiently *operating* against the irredeemable policy and declarations of the bank and its president, 'for the re-establishment of the currency,' is now matter of history; that the 'arrangements' to which the letter refers, and which the wants of the public treasury, occasioned by the suspension of the banks, and the legislation of Congress consequent thereupon, compelled, were calculated to enable the bank the more easily to pay its debts to the government, and thus to abandon its irredeemable doctrines and policy, when, by the action of other State institutions, they had become no longer sustainable with a preservation of credit, and to place itself upon the list of resuming banks, is most likely. Mark dates and facts. The negotiation for the sale of the bond of 1839 was completed and closed on the 1st of August, 1838. The definitive offer of the Secretary of the Treasury for the anticipations and mode and manner of payment upon the bond of 1838 was dated on the 25th of July, 1838, and the broad acceptance of that offer by the agent of the bank was of the day following. By this offer and acceptance the first installment of \$800,000 was to be paid on the fifteenth day of August, and all the payments upon both 'arrangements' were, by the terms of the same, to be made 'in specie or its equivalent.' How, then, were the notes of the bank to be made applicable to these payments? Could it be done short of a resumption of specie payments by the bank, so as to make its notes, in form at least, 'equivalent to specie?' What do the acts of the bank show to have been its sense of its own course and policy under these circumstances? It resumed specie payments on the thirteenth of August, thirteen days after the payment was made at the bank for the bond of 1839, but before the drafts upon that deposit would be returned upon it in any considerable amounts, and two days before the payment of the first installment upon the bond of 1838. Did these transactions authorize the president of the bank to say that by them the government *was brought* into efficient 'co-operation' for the re-establishment of the currency? Into efficient co-operation with whom or with what? With an institution which had resisted with all its immense power the resumption of specie

payments, the only measure by which the currency could be re-established; which was a debtor to the government to nearly \$8,000,000, and which was compelled to ask time for payment of one, two, three and four years; which found its extended obligations falling due so near the period when specie payments must be resumed, or its credit destroyed, that it was driven to the 'executive officers' to seek terms of payment which would enable it to perform that high duty? Efficient co-operation with such an institution and by such means? Need I say, sir, that the arrogance of the assumption is only equaled by the closing sentence of the paragraph?

"Let me read it to you, Mr. President. Here it is: 'The resumption accordingly took place,' where do you suppose, sir? The banks of the whole Union had suspended specie payments in May, 1837. This immeasurable calamity was visited upon the whole country, and now the president of the largest and most powerful bank in the Union is telling us of the resumption, of the return of the banks to their legal and moral obligations. He has before given us his exposition of the causes which brought about this great and good result, and now he says 'the resumption accordingly took place.' Again I ask you, sir, where do you think it took place, and when? He shall tell you: 'Throughout the middle States on the thirteenth of August, in many of the southern and western States soon after.' What, let me ask you as one of the representatives of that section of the Union, what became of the humble northern and eastern States in this happy annunciation to the American people? Were they not worth the notice of the president of the bank? Or did he not know that this same glorious work of resumption, for which he says *the way was opened* in August, had taken place in those States, and was triumphantly sustained against his power and the power of the giant institution over which he presided, from one to three months before the period of which he speaks — before that 'way' was opened which enabled the State national bank to come in, by a forbearance of its debts and an accommodating compromise as to the manner of their payment?

"Sir, I am ready to relieve you from this course of remark,

and to dismiss from my consideration such testimony coming from such a source.

“I am also most happy, Mr. President, to be able to assure you that I will very soon relieve the Senate from a continuance of any remarks upon this subject. One or two brief topics remain to be considered and I have done, at least for the present.

“In the course of the debate which the subjects under consideration have excited, my peculiar personal attention has been called to the language used in the law authorizing the sale of the bonds of this bank. That language is that the bonds shall be sold ‘for money in hand,’ and I believe I was the draftsman of the law. I have, upon a previous occasion, and when thus called upon, stated to the Senate my best recollections as to my intention in the use of the terms quoted. I had not then made a recent examination of the law, and I spoke from memory wholly. I now find no cause to change what I then said, that it was my intention the bonds should be sold for *cash*, if sold at all, but I find that the disposition of that ‘cash,’ intended by the committee, was fully explained on the face of the bill, and that I am now only called upon to read to the Senate the second section of that law, as it was reported and passed, to make this point perfectly intelligible to all who hear me. That section is in these words :

“ ‘ *And be it further enacted*, That all money received upon the sale of the said bonds shall be immediately paid into the treasury of the United States, or placed to the credit of the Treasurer thereof in some proper depository, in the same manner that other moneys, received from dues to the government, are, by law, directed to be paid into the treasury.’

“It will be recollected that but one bond was sold, and, in reference to that, how was the money paid ? I have already read to the Senate, from the documents appended to the report of the Secretary of the Treasury, the certificate of the bank, showing that the proceeds of this bond were placed in that institution, ‘in special deposit,’ to the credit of the Treasurer of the United States. Was that bank, then, a ‘proper depository’ in a legal sense, and within the meaning of the law above quoted ? We have seen that there were no general deposit banks under the law of 1836, or banks which could be selected under that law, to

answer the purposes of the treasury. We have also seen that neither the law nor the practice of the Treasury department authorized the Secretary to transfer money to the hands of individual officers of the government for the mere purpose of safe-keeping. Hence, the Secretary has been compelled to select banks as special depositories, without reference to the deposit law, in cases where money comes into the treasury, as in the case under consideration, not in the ordinary course of collection, but without passing through the hands of an authorized collecting officer. The authority of the Secretary to select and use these banks for these purposes is the same which authorized the use of banks by the Treasury department, from the commencement of the government, under the Constitution, and the organization of such department, up to the charter of the late Bank of the United States in 1816, and from the removal of the public deposits from that bank in 1833 until the passage of the deposit law in 1836. In his selections, under this authority, there are no restrictions of law upon the officer ; and if, therefore, depositories so selected are, in a legal sense, 'proper depositories,' then I am unable to discover why this bank was not as proper a depository of the proceeds of these bonds, within the meaning of the second section of the law for their sale, above quoted, as any other bank which the Secretary could have selected would have been.

"Some objections have been made, that the Secretary of the Treasury has, in his annual report, confounded, by the use of language, the character of the deposits made in the various banks on public account, and rendered it difficult to tell in what condition the public money is, or how it is, in fact, kept. I have taken some pains to inform myself upon these points, and the inferences which I had drawn from the reading of the annual report have been confirmed by the explanations of the Secretary. The terms 'general deposit' are used by him in reference to those moneys deposited in banks selected under the deposit law of 1836. The terms 'special deposit' are mostly used in their technical sense, as a deposit of the specific thing, the identical money, or currency, delivered to the bank for safe-keeping ; and the terms 'deposit to the special credit of the Treasurer,' are used to denote such deposits as are neither 'general' nor 'special,' within the

technical meaning of the other terms, but as are made in banks selected by the Secretary, under his general powers, before referred to, and are placed there subject to the drafts of the Treasurer, with a notice, and distinct understanding, that they are to be drawn for at an early day, and are not, therefore, to be used by the institution holding them for the general purposes of banking. The remarks of the Secretary upon these points, in the report under consideration, give substantially these explanations. They are as follows :

“ ‘ The arrangements made with the banks that hold special deposits, or deposit to the special credit of the Treasurer, have been regarded as temporary in their nature or character, and have, in most cases, therefore, been informal. It having been expected that Congress would, at an early day, adopt some general system that could be carried into practical effect, on the subject of keeping the public money, and comparatively few collections having been made, except in treasury notes and treasury drafts, since the suspension of specie payments, till within the last three months the department has deemed it most respectful to Congress to abstain from adopting any uniform and permanent arrangement on the subject of deposits in banks, not selected under the general deposit act, but to use them, for the present at least, only as necessity should require.’ ”

“ And again :

“ ‘ In cases of deposits in bank, made specially, the money has, in some instances, been placed in specie, in boxes, fastened up, and not to be withdrawn by the receiver or others, without the draft of the Treasurer on him, payable at the bank where the special deposit was made. In other cases it has been placed in specie, or bills of specie-paying banks, to the credit of the Treasurer, sometimes as in “ special deposit,” and sometimes as “ in deposit to his special credit,” and allowing the bank to have entire charge of it afterward.’ ”

“ From this language of the Secretary, as well as from the facts in the case of the bonds, it is inferable that deposits, in their inception special, in the bank sense of that term, have been subsequently changed in their character, by making such deposits the basis of drafts by the Treasurer, which were paid by the bank, on presentment, as drafts upon general deposits are usually paid. Indeed, the Secretary tells us, in his annual report, that ‘ this system of special deposits, or of deposits to the credit of the Treasurer, has, from convenience, and indeed almost from

necessity, not generally corresponded with the usual forms of special deposits.'

"It is quite possible that the Secretary of the Treasury has not upon all occasions, in reference to these matters, used the language technically appropriate to the occasion, and it is equally possible that he may have committed errors of judgment in the multiplicity of his arduous and most perplexing duties; but when the trying period through which the country has passed under his administration of the Treasury department shall be remembered and appreciated, I desire to be no more confident of anything than I am of the fact that he will have no cause to complain of the verdict which an intelligent and patriotic and grateful people will render upon his public services. None of us here, Mr. President, can have failed to see that it is much easier to find fault than so to act, in a responsible public trust, as not to deserve censure, much more so as not to receive it, whether deserved or not. It now seems to be fashionable to complain of the Secretary of the Treasury, but we should be willing to do justice even to a political adversary; and none will, none can, deny that Mr. Woodbury has managed the finances of the country, through one of the most difficult periods in our national existence, with a degree of success before altogether unknown under similar embarrassments. Sir, we have had similar embarrassments before, and with what result? We had a suspension of specie payments by the banks in 1814, not as general as that of 1837, and when and how were specie payments restored? After a continuance of three years, by the aid of a national bank. When and how have these payments now been restored? After a continuance of one single year, and principally, as I verily believe, by a sound and firm administration of the national finances; by a rigid and unyielding adherence, in all national receipts and payments, to that standard of value erected by our glorious Constitution, and which, if not scrupulously observed by the government in times of pecuniary trouble, cannot be continued as a standard of value for the country. I know, Mr. President, there have been many patriotic and good men who have sincerely believed, during the late derangements in our currency, that specie payments could never be resumed by the State

banking institutions, and the currency re-established at the proper constitutional standard, without the aid of another national bank. I have been one of those who have uniformly believed that, if the operations of the national treasury were not suffered to be brought down by the general depreciation, but were kept up to the standard of gold and silver, the whole circulating medium would speedily be raised to that level; while I have as firmly believed, if that standard for the public treasury was surrendered, there would be an end of anything like a fixed and permanent standard of value, until financial embarrassment, commercial suffering and universal derangement in every department of business should drive the whole people to call in the aid of some artificial power to assist in erecting it. The soundness of the former opinion is now demonstrated. The standard of currency for the treasury has been preserved at the constitutional elevation, through the whole of our late troubles, and the consequence has been that, without any other aid, a universal resumption of specie payment has taken place within little more than one year, and business is reviving, at least as rapidly as can consist with firm and enduring health. For all these great and good results, as well as for the great success with which the treasury has been managed and its wants supplied, during these severe embarrassments, I speak the solemn convictions of my judgment when I say that no man in the country deserves more credit than the present Secretary of the Treasury; and when the political prejudices and party conflicts of the day shall have passed away, I verily believe that history will accord to that faithful and laborious officer even greater praise than I attempt to bestow upon him.

“Mr. WRIGHT having concluded, Mr. Rives replied at length; after which

“Mr. WRIGHT said: Before I proceed to notice the arguments of the honorable Senator, you must permit me, Mr. President, to make a single allusion to his opening observations, and it is the only remark of its character which I intend to make in the course of my brief reply. I heard, with unfeigned pleasure, the declaration of the Senator that it would give him sincere gratification if the conduct of the executive officers, in the transactions alluded to, could be fully justified. But for that remark I should have

been constrained, from the matter and manner of the argument, to suppose that the honorable gentleman entertained a real desire to convict them of impropriety of intention and action. His declaration, however, deserves full credit, and such are not his feelings.

“He complains that I have not answered his arguments, or met the issues tendered by him upon former occasions. I supposed I had said all which I could usefully say upon the whole matter; but I will now reply to some of his positions of to-day, even at the risk of repeating, substantially, what I have already said, and I take this occasion to promise the Senate, after its extended indulgence to me already, I will not be tedious in the performance of this undertaking.

“The gentleman’s first and principal point is, that the sale of the bond of 1839 to the bank was illegal, because it was practically sold upon credit, when the law authorizing the sale required, in express terms, that it should be made for ‘money in hand.’

“To this I have simply to reply that we have seen what were the terms and conditions of the sale, and that one of them was the payment of the whole purchase-money on the first day of August, by placing the amount in special deposit in the bank to the credit of the Treasurer of the United States. We have also seen among the documents, appended to the report of the Secretary of the Treasury, one from the cashier of the bank, in the following words :

“ ‘BANK OF THE UNITED STATES, *August 1, 1838.*

“ ‘I hereby certify that Charles Macalester, Esq., has this day deposited to the credit of the Treasurer of the United States, *in special deposit*, the sum of two million two hundred and fifty-four thousand eight hundred and seventy-one dollars and thirty-eight-cents, subject to the drafts of the said Treasurer.

“ ‘J. COWPERTHWAIT,
“ ‘*Cashier.*’

“Now, this paper is either true or false. If true, then the payment was made according to the terms of the agreement, for the sale of the bond was made in ‘money in hand,’ which money was, by the very act of payment, disposed of as the second section of the act referred to required. Does any one doubt the

truth of the certificate? Does the gentleman himself doubt that this amount of money was in the bank, as its property and subject to its disposition, at the time the certificate was given? Bad, Mr. President, as is the authority of this bank and its officers with me, upon most subjects, I do not believe that one of them would issue a false official and responsible paper of this character, nor do I believe that the cashier was ignorant of the nature of a 'special deposit' or of the import of the facts to which he certified. Any collateral understanding existing at the time, as to the manner in which the Treasurer should dispose of this money, or in which the bank might by making certain other payments discharge itself from its liability thus incurred for this deposit, could neither destroy the fact of the payment nor alter the character of the deposit at the time when the certificate was given. But suppose, sir, that this certificate was false at the time it was given. Then the whole transaction was void from the fraud practiced upon the Secretary, and the legal property in the bond did not pass to the bank by the delivery, as that delivery was in consideration of the certificate and it was the only evidence of the value received. Upon this supposition, therefore, the bond was not sold, and that could not be an illegal sale which was not a sale at all.

"The honorable Senator next takes the position that the transaction was a disadvantageous one to the government, because that out of the proceeds of the bond, deposited as we have seen, the bank was to answer drafts of the Treasurer for the use of the War department to the amount of but \$500,000 monthly, while the statements from that department show that its wants were equal to \$1,000,000 per month.

"This position is susceptible of several answers. First, the bank would agree to no more favorable arrangement, and the Secretary of the Treasury must consent to withdraw the deposit at the rate of \$500,000 monthly or he must forego the sale of the bond altogether, and thus get nothing from this bond in aid of the treasury, as no other purchaser could be found who would pay the price fixed by the law. Second, the gentleman has overlooked the fact that payments were making at the same time upon the bond of 1838, at the rate of \$800,000 per month, so that

from both sources the bank would more than meet what he says were the necessities of the War department. Third, the proceeds of these bonds were not all the means of the treasury; the whole current revenue remained, besides other deferred debts; and what the War department should require, which the bank was not to pay, it would be the duty of the Secretary of the Treasury to supply from these other sources.

“Another ground assumed by the honorable gentleman is that the bonds might have been, and should have been, sold abroad, and that a special agent should have been sent abroad to negotiate the sale; and then he infers that the Secretary of the Treasury was not driven to make the sale to the bank, had he pursued properly the course which the law pointed out.

“I have before shown, generally, what the Secretary did do by way of effecting a sale of these bonds abroad, and, from the results of those efforts, had he any encouragement to pursue them further? This is the fair question, when we are discussing the faith and intentions of the officer. In May, pending the passage of the law and almost immediately upon its introduction before Congress, the Secretary wrote to a banker of high standing in each of the cities of Philadelphia and New York to inquire as to the prospect of a sale of the bonds, at home or abroad, within the terms proposed to be prescribed. They both answer him, substantially, that, upon the terms of the bill and without a guaranty, no sale could probably be effected in this country unless to the bank itself. Mr. Solms, the president of the Moyamensing Bank, of Philadelphia, gave it as his opinion that a favorable sale of the bonds might be made in England, and seems to rest that opinion upon the then state of the English money market and the fact that the agent of the bank in London would, he thought, be induced ‘by weighty considerations’ to become a purchaser. This is the only direct opinion favorable to the sale of those bonds abroad which I have found among the papers, and this seems to have been formed at least as much upon the expectation that the bank itself would be the purchaser as upon any other consideration. This gentleman, therefore, did not propose to free the Secretary from a sale to the bank by sending him to London for a market.

“Mr. Newbold, the president of the Bank of America, New York, says: ‘The bonds have too short a time to run to warrant any reasonable expectation of a sale of them in Europe, on favorable terms, during the present rate of exchange.’

“After the passage of the law, the Secretary immediately wrote to the house of N. M. de Rothschild and Sons, bankers, of London, and requested them, if possible, within the restrictions of the law, to make sale of the bonds. They declined to purchase, for reasons which I have before stated, and say that a sale upon the terms prescribed cannot be effected in London. I cannot speak from personal acquaintance as to the propriety of the Secretary’s selection of his English correspondents for this object, but I understand the house to be among the first banking-houses in London, and suppose it will be conceded by all that there is no fault in the course of the Secretary in this respect.

“He also wrote, without delay, to our minister at Paris, and requested him to consult the best bankers in France, and effect a sale of the bonds there, if it could be done within the limits of his authority. As the gentleman has commented upon the unsatisfactory character of the reply from this quarter, I will read a part of Governor Cass’s answer. He says:

“‘But Mr. Welles sought information from the bankers, and his views may be depended on. He states that, after examination, he found it impossible to obtain an acceptable proposition, because, in the first place, the bonds are too large, and because, in the second place, bankers who made an offer would necessarily be compelled to hold themselves in readiness to comply, after information of the result should be obtained from the United States; and would thus be bound, for many weeks, to have the money within their control, while, in the meantime, some event might occur to change the state of the money market, and thus to embarrass them. Mr. Welles was decidedly of opinion that a better arrangement might be made in the United States than here. Under these circumstances, and placing confidence in his representations, I do not think that the object could be effected in Paris, upon such terms as you would approve.’

“Could the Secretary, after such an opinion, coming from such a source, and based upon such authority, longer hope to find, in France, a market for these bonds within the limitations of the law? Can his motives be suspected because he relied and acted upon such evidence?

“The Secretary further, immediately after the passage of the law, opened a correspondence with a Mr. Belmont, of New York, an agent resident there of extensive banking-houses in London and Paris. This correspondence was continued from the ninth to the twenty-first of July, and resulted in an entire declination to purchase the bonds, within the restrictions of the law, either for himself or for account of his principals in Europe.

“But, says the honorable Senator, the Secretary ought to have sent an agent to Europe to negotiate a sale of the bonds, and not to have depended upon the uncertainty of correspondence. I have shown that an effort was made by the Secretary to employ an agent soon after the passage of the law, but that the person applied to, conceded by the gentleman to be qualified and competent, declined to accept the compensation offered by the Secretary—eight dollars per day and necessary expenses—and demanded a commission of one-fourth of one per cent upon the amount of the bonds, if a sale was made, and the pay and mileage of a member of Congress, if he should fail in the mission. I have made, upon my table, a hasty casting of the amount of this commission demanded by the agent, and, if I am not mistaken, it is, upon both bonds, a trifling fraction below \$10,000. This expense the Secretary did not feel willing to incur, in any event; while the prospect of a sale did not seem to him to authorize the pay and mileage of a member of Congress, for a journey from this country to England and France, and the return, simply to make the experiment. He did not, therefore, send the agent. In this he may have erred, for it is not my purpose to prove that the Secretary is perfect, or exempt from error. This point I cheerfully leave to the decision of this body and the public. My only anxiety is, that the whole truth shall appear before the decision is pronounced; that it shall be distinctly known that the bond was sold at the par value, as fixed in the law, and that every dollar of the proceeds has paid a dollar of debt against the public treasury, without any deduction of \$10,000, or any other sum, for the expenses of negotiating that sale. If, then, the conclusion shall be that the Secretary has brought the government into improper connection with a hostile bank by the nego-

tiation, it must be admitted that he has saved this \$10,000 to the treasury of his country by the operation.

“The Senator next says, there is no evidence of the necessity of the sale of this bond at all, and indicates an opinion that it is the duty of the Secretary, and of those who are willing to apologize for his acts, to show that necessity before they attempt to justify the sale he made. To the Senator’s arguments upon this position I have several answers. First, the Secretary has himself stated that the calls upon the treasury for the month of June ‘had exceeded \$4,500,000;’ that he anticipated, ‘as the fact turned out to be,’ that those calls would equal about \$7,000,000 for the two following months of July and August; ‘that the available balance in the treasury, applicable to general purposes and subject to draft, fell below \$1,000,000; that payments were making, at times, in new treasury notes, which could not be rendered at all available;’ and that, therefore, he considered it ‘*necessary* to effect a sale of *at least one of the bonds*, at an earlier day than advices could be received and any proceeds realized from Europe.’ This was the state of the treasury, and the exhibition of its necessities, from the head of that department; and I, sir, have been accustomed to place confidence in statements upon that point, from that authority. Second, the law authorizing the Secretary to issue treasury notes for the supply of the treasury expressly limits that power to its necessities, after all the other lawful means of supply have been exhausted. Hence the sale of the bonds became a duty, before the credit of the government, in the shape of these notes, was resorted to; while the only power existing to issue notes, at the period of these transactions, was the power to issue new notes, under the law of 1838, in the place of those paid in and canceled under the law of 1837; and it was, in the nature of things, impossible for human foresight to say how rapidly the old notes would come in, and, consequently, what might be the extent of the power, within any given period, to issue new notes. Third, the apparent balances of money on deposit in bank, to the credit of the Treasurer, afford no standard by which to form a judgment as to the amount

of available means of the treasury on any given day, because those balances were constantly made the basis of drafts by the Treasurer, which, the Secretary tells us in the correspondence, would necessarily be out from thirty to ninety days, before they would come round to the bank to be there debited to the Treasurer, and deducted from the amount standing to his credit upon the books of the bank. These are believed to be full and perfect answers to the positions taken by the Senator to show that a necessity for the sale of the bond did not exist. The condition of the treasury, therefore, at the time the sale was made, appears from the statement of the Secretary above given, unimpeached by the considerations to which the Senator has referred, and which he seemed to suppose inconsistent with it. Is, then, the officer having charge of the Treasury department to be taken as authority for the state of the treasury, its wants, and its necessities, at any given period? With me, sir, he is. The honorable gentleman has made repeated appeals to me upon this point, as chairman of the Committee on Finance of this body, and I cheerfully admit that the vigilance of his researches and the minuteness of his inquiries may have shown him much better qualified for the head of that committee than myself; but I candidly tell him and the Senate, that, in the discharge of my duties in the position I hold, the statements of the proper officers of the government, as to the condition of the treasury, have been authority to me, so far as facts and figures are concerned. Until the facts and figures, therefore, coming from that quarter, shall be shown to be erroneous, I recognize no right to call upon me to sustain their accuracy.

“The Senator further says, the issues of treasury notes were not made by the Secretary in the most advantageous manner; that a rate of interest might have been given to them which would have enabled the department to command specie for them in the market, and would have induced capitalists to hold them as investments until they became redeemable by the law, and, therefore, ceased to bear interest; and he contends that the Secretary ought not, therefore, to be permitted to urge his apprehension that the new treasury notes would come in for redemption, in

the way of payments upon the public dues, as causing a necessity for the sale of this bond. It is not for me to contend that the Secretary of the Treasury is all-wise as a financier, or that the issue of these treasury notes in some other form and manner might not have afforded to the treasury greater temporary relief. It is enough for my purpose that the Secretary acted in good faith and according to his best judgment, and issued the notes in the manner which he believed best calculated to afford to the treasury and to the country the relief intended by the law ; that they were issued, were out, and were returning upon the treasury for redemption, in the shape of payments of the revenue, at the time the law passed authorizing the sale of these bonds. The necessity from this quarter did, therefore, in fact exist ; and the experience of the department, by the payment by the bank of the first bond, paid in 1837, almost wholly in treasury drafts and other like government liabilities, enabled the Secretary to judge with certainty of the extent of the necessity growing out of this consideration. Had he then rested quietly until these bonds reached maturity, depending upon their proceeds for money to meet the public disbursements, and then met payments in unavailable treasury notes, notes which could not be reissued for any purpose, what would have been thought and said of his financial skill or official faithfulness ? Or, if he had sat down and mourned over the fact that the notes had not been originally issued in some different manner, would that have supplied his exhausted treasury ?

“ A further complaint of the honorable Senator is, that the proceeds of the draft upon the Pennsylvania bank for \$300,000, transmitted by the Bank of Kentucky, in part payment of its debt to the government, were permitted to remain on deposit in the former institution until they were required for disbursement ; and he asks, with great emphasis, why was not this sum transferred to some other depository ? Why not to the Bank of America, at New York ? Why not to any place other than this bank, to which the Secretary and his political friends had been so hostile ? I am not aware, Mr. President, that I can say anything which I have not already said upon this subject. I have already shown that this money was as valuable to the treasury, as con-

venient for its use, and as safe, where it was left, as it could have been made in any other depository; and, in the face of these facts, if it were perfectly respectful, I would answer the gentleman's queries by asking him why should the Secretary have transferred this money until required for disbursement? For what public interest or object? Had he transferred it, was there any possible reason he could have assigned for the act other than his own hostility, and that of his political party, to this bank? And would the Senator from Virginia have advised the Secretary to put himself upon such a defense, for such an act, either before this body or the country?

"I am here compelled, Mr. President, to make a remark in self-explanation and justification, and I am sorry to find that, in this debate especially, the most precise and clear definitions are rendered constantly necessary. The gentleman says, in my former remarks I termed this Pennsylvania bank 'a proper depository,' and he repeats the phrase with an evident design to carry the implication that its use by me was the manifestation of a change of feeling on my part toward the institution. Sir, the gentleman could not have failed to notice that I was speaking of the second section of the law authorizing the sale of these bonds, in which the terms 'proper depository' are used; that I was examining the legal power and right of the Secretary of the Treasury, in the present state of the law in relation to the public deposits, to select this institution as a depository for the proceeds of these bonds; that I came to the conclusion that the Secretary possessed the legal power and right to make this selection, as much as that of any other banking institution not a general deposit bank under the deposit law of 1836; and that this bank, therefore, in a legal sense, within the powers of the Secretary and the meaning of the second section of the act for the sale of the bonds, was, when so selected, 'as proper a depository for that especial purpose as any other which could have been so selected.' These were my words, or their substance, and I used the phrase which the Senator has so frequently repeated in no other sense or connection. If he was not before aware of my meaning, in the use of these terms, I now offer him this explanation and definition of it.

“ A further objection, brought by the honorable gentleman against the Secretary of the Treasury, is, that the public interests were disregarded by depositing this \$300,000 in this bank; inasmuch as, had the deposit been made in a general deposit bank, under the deposit law of 1836, of suitable capital, an interest might have been obtained upon the deposit for the time it remained in bank. If this objection, Mr. President, is to be considered as developing the policy of the deposit law of 1836, I am bound to say that it will make that measure more objectionable to me than it has ever before been, unfavorably as I have ever viewed it. What is the provision of that law referred to? That the bank shall pay an interest, at the rate of two per centum per annum, upon all money remaining on deposit with it, for one whole quarter of the year, over and above an amount equal to the one-fourth part of the capital of the bank actually paid in. Now, sir, to have placed this \$300,000 upon this investment of two per cent, a bank of the very smallest capital must have been selected, so that the largest possible excess might have existed, upon which interest would be payable, while that part of the deposit which equaled one-fourth of the capital of the bank, actually paid in, must have been suffered to remain three full months to entitle the treasury to a recurring interest of two per cent upon the average excess. I have ever thought, sir, that to make a bank pay interest upon public deposits was the most direct mode to stimulate those institutions to use the public money for banking purposes, and, therefore, the worst possible policy which any government, State or national, could possibly adopt; but if, in addition to this insurmountable objection, the consideration of capital paid in, as a security for the deposit, is to be abandoned, and the Secretary of the Treasury is to be required to select the banks of the smallest *real* capital, that the largest amount of the public money upon deposit may be drawing interest, the tendency of the system of State bank deposits, as adopted and established by the deposit law of 1836, is infinitely worse than I have heretofore considered it to be. And if the Secretary of the Treasury is to receive public censure, here or elsewhere, for not acting upon this dangerous principle, I must stand closely by him and share in the condemnation.

"The Senator has considered it to be his duty to make very especial and marked reference to the letter of Mr. Biddle to the Secretary of the Treasury, written under date of the 13th of August, 1838, to be found among the documents, at pages 36 and 37 of the report of the Secretary, marked F 7, and infers from it that some correspondence between the Secretary of War and the bank, not communicated to Congress, must have taken place, in reference to the arrangement for paying the bank bonds in disbursements for the War department. The honorable gentleman has called upon me, in my seat here, to answer to any knowledge I may possess as to such a correspondence, and I frankly stated to him and the Senate that I neither know anything of it, nor do I find the least reason, from this or any of the documents, to suppose that any such correspondence ever took place. If he and the Senate will have the goodness to look to the letter from the Secretary of War to Major Cooper, the then acting Secretary, written from the Virginia Springs, and to be found with the documents appended to the President's message, in answer to the last call of the Senator, it will be seen that all the arrangement upon this subject which the bank has claimed, or which even suspicion has alleged to have been attempted, is there fully avowed by the honorable Secretary, and its prompt and honorable fulfillment is respectfully urged upon the treasury officers. I cannot, therefore, possibly see what motive is left for concealment, or why any correspondence of a private character should be supposed to have been wrongfully withheld, in relation to an arrangement completed, avowed and carried into full execution.

"The gentleman seems further to apprehend that I, and those with whom I act here, have changed our views and feelings in relation to the dangers of a national bank, and the dangerous character of a State institution, so powerful as that of which we speak. Mr. President, he mistakes us utterly. We have experienced no change of feeling or opinion upon either of these points. I say willingly and cheerfully that I listened to some of the remarks of the honorable gentleman, in relation to the dangers of institutions of either character, with unmixed delight. I rejoiced to hear him refer to the former expressions of opinion of the Senator from South Carolina [Mr. Calhoun] upon these sub-

jects, and to declare his increasing convictions in their justice and truth. Let him continue to be governed by these opinions and feelings, in reference to these matters, and he need not make himself more sure of anything, in the whole course of his life, than he may now be of the fact that I, and those who think and act with me here, will be found with him, side by side and shoulder to shoulder, rendering him our feeble aid and support in any wars in which he may be engaged in the prosecution of such principles.

“I have but a single other remark, Mr. President. The Senator has made repeated allusion to the time I have taken to prepare for the debate of this day. Sir, I pretend to no extraordinary powers of intuition. I require preparation to address this body, and my great fault is that I do not sufficiently prepare for so responsible a duty. Yet I must be permitted to think that such remarks, coming from that gentleman, should not have been made without qualification. He may not have known that the deep interest of a large number of the members of the Senate, in a measure depending before the body (the land graduation bill) at the time when this debate was introduced by himself, induced me and others to consent to postpone the further consideration of this matter until that measure could be definitively disposed of; but such was the fact. The Senator *did know*, however, upon whose request the postponement for the last week had taken place, and I thought I had a right to expect that he would not have made remarks calculated to charge that delay upon *me*.”

CHAPTER LXXVII.

DISTRIBUTING BOOKS AND CONSTRUCTIVE MILEAGE.

The temptation to participate in plundering the public, and especially under plausible or disguised names, has often proved too strong for many members of Congress. The book plunder has usually been carried under the pretext of promoting some approved object. Congress, on various pretenses, has purchased, or authorized the subscription to large and sometimes enormous publications, to be distributed among members of Congress, such as Gale & Seaton's Annals, Debates and State Papers, Gideon's Archives, Blair & Rives' Congressional Globe, Elliott's Debates, Madison's Papers, Madison's Writings, Clark's History of the Bank of the United States, and Contested Elections, Geological Surveys, Schoolcraft's Book on Indians, and many other works—all useful in their way, but not more needed by them than by citizens. But Congress under the Constitution has no power to purchase or procure such books to be given to its members, to become their individual property. Most of the votes for these distributions are disguised thus: "that the members of this Congress, who have not received them, be supplied with the same books as the members of the last Congress," or in a similar manner. Few imagine that under such a resolution many thousand dollars are voted away, and that the members described receive, each, books costing from one to two thousand dollars. Many of these books have been long out of print. When ordered, the bookseller procures them of ex-members at a low price. One set of books has often served to satisfy the demand of a large number of members. The books

were shown to members and receipts taken, and then they were told that a person referred to would pay so much for them, which offer is accepted, the money pocketed and the books left to serve the same purpose with the next caller; and so with all who will consent thus to sell. Few ever receive and take away the books voted to them. The abuse of thus voting books is not likely to cease while it adds hundreds and sometimes thousands of dollars to the compensation of members.

It is traditional about the capitol that Mr. WRIGHT never consented to receive such books. In the appropriation bill passed at the second session of the twenty-fifth Congress there was this provision for books, viz.: "For the balance due on account of the first volume of the Documentary History of the United States, \$5,602; and the Secretary of State is hereby authorized to deliver to the Secretary of the Senate forty copies of said work, and the Clerk of the House of Representatives 368 copies of said work, to be distributed to each of the members of the Senate and House of Representatives of the twenty-third, twenty-fourth and twenty-fifth Congresses who are not entitled to receive the same under former resolutions or acts of Congress."

Mr. WRIGHT, by direction of the Committee on Finance, moved to strike it out. Mr. Webster and others opposed. Mr. WRIGHT thus briefly presented his views adverse to the purchase and distribution, March 1, 1839 :

"Mr. WRIGHT said, if the Senator from Massachusetts thinks I am not aware of my responsibility, or that I fear to meet it, he does not know me. Mr. W. thought the time was come when the Senate should make a stand upon this subject, and said the responsibility of defeating the bill, if it was lost, would rest with those who had incorporated this provision into it. Mr. W. went on at some length in opposition to the practice of appropriating money for the purchase of books and distributing them among

themselves, and trusted that the Senate would not countenance it any longer."

There being no quorum present the subject went over until the next day, when the distribution provision was negatived by a vote of 29 to 3, the nays being Davis, Southard and Webster.

The principle involved in this case came before the Senate again when the civil and diplomatic bill was up, on the 4th of May, 1840. A provision had been inserted in the House appropriating \$15,000 for the purchase of Clarke and Force's Documentary History of the Revolution. By direction of the Committee on Finance, Mr. WRIGHT moved to amend the bill by striking out this provision. During the discussion on this amendment, which passed by a vote of 20 to 8.

"Mr. WRIGHT observed that his anxiety to get the action of the Senate on this bill would, he was sure, be appreciated by the Senator from Massachusetts. The bill had only come to them to-day, and this was a very late period of the session for the passage of a bill on which so many interests of the country depended. He thought, from the disposition of the body to adjourn over, if it was not acted on to-day, it would not probably be acted on this week. Mr. W. then adverted to the urgency for a speedy action on this bill. In addition to the vast number of persons employed about the seat of government, and many others who had not received any compensation for their services since the first of January, the courts of justice were now sitting in several of the States, and in the Senator's own State particularly, and they had no means to pay their jurors, witnesses, etc., until this bill passed. The committee had, under these circumstances, felt it their duty to press its passage with all convenient speed, and had therefore made very few and simple amendments, such as would not consume time in the other branch of Congress. If it was the pleasure of the Senate to take up the bill now, it would certainly be gratifying to the committee."

Constructive mileage, although confined to Senators, is an abuse of a similar character, which seldom occurs

except every fourth year, on the coming in of a new President. The outgoing executive convenes the Senate by proclamation to meet on the fourth of March, so as to be ready to act on such nominations for new cabinet officers and others as the new President may wish to make. Such Senators as were in the previous Congress receive their pay and mileage before or at its close. Having no time to do so between the close of the session on the third of March and the meeting on the fourth, they do not return home. In strict law they may possibly (but we doubt it) be entitled to mileage for coming and returning, although in fact they do not devote any time or spend any money in doing so. This untraveled journey, never performed when paid for, is called "constructive mileage." Many receive it; but it comes to us as a tradition and is undoubtedly true, that Mr. WRIGHT, although tendered to him when Mr. Van Buren and Mr. Harrison came in, refused to receive it, because he thought he had not earned it. This shows how extremely conscientious he was in public as well as in private matters.

MR. WRIGHT'S LETTER TO MR. TILDEN.

On the 11th of December, 1838, Mr. Elam Tilden addressed a letter to him, the contents of which will be inferred from the following extract from his answer, dated twenty-sixth December of that year:

"You have my thanks for your interesting history of the meeting, and your son (Samuel J.) deserves and will receive the hearty thanks of all true democrats and lovers of their country for his fearless honesty in rebuking a traitor in the midst of his assembled friends, and of those whom it was his design to mislead and deceive. I am not sure that we shall not be driven to this course of addressing the people, face to face, to counteract the frauds and falsehoods of the swarms of agents which the money of our opponents sends forth as lying spirits throughout our State, and I am fully satisfied, were our people prepared for such a course,

that discussions by our honest and capable men, face to face with these profligate emissaries and traitors from our ranks, would do more than anything else to rebut their falsehoods and restore the public mind to a knowledge of the truth.

“Your suggestion as to some proposition to be made to our Legislature, the more effectually to punish frauds, bribery and perjury at the polls, is a wise and proper one. The President (Mr. Van Buren) made the same suggestion to me at our first interview after I reached here. I have communicated with some of our friends at Albany upon the subject, and think the matter will be cared for.”

CHAPTER LXXVIII.

THE INDEPENDENT TREASURY BILL BECOMES A LAW.

Early in the first session of the twenty-sixth Congress, January 6th, 1840, Mr. WRIGHT again brought forward the independent treasury measure, by reporting a bill creating a treasury disconnected with banks or private agencies. The Senate had thrice passed this measure, which had as often met defeat in the House. Now the political character of the House was changed and favorable to this measure of the administration. The bill again underwent a long discussion, in which Mr. WRIGHT participated. It was passed in the Senate on the 23d of January, 1840, by a vote of 24 to 18. It passed the House on the first day of July by a vote of 124 to 107. The President approved and signed it on the fourth.

The following are the remarks of Mr. WRIGHT on the bill at this session :

“ Mr. WRIGHT said he had no personal desire to press the action of the Senate on this bill ; and, if at liberty to consult his own inclinations in this matter, his course would probably be what the Senator from Kentucky had so kindly intimated it ought to be. As a member of the committee which had reported the bill, his action on it was already discharged. He must, in candor, say to the Senator, he could make no motion to postpone, nor was he at liberty to vote in favor of any postponement. It was for the Senate to determine, in accordance with what they deemed to be their duty, on the course to be pursued in relation to the suggestion of the Senator from Kentucky. This is the fourth session of the Senate, stated and special, since this measure was presented here ; and I cannot forget that, though it had twice passed this body, it had failed to receive, practically, any consideration in the other branch

of the Legislature. That body at present, from peculiar circumstances, is a full month behind its usual advancement in legislative business. As to the vacancies in the Senate alluded to, he had not calculated the number of the friends or opponents of the measure; but, from the Senator's own enumeration, he thought there would be little change in their comparative strength, if the vacancies were all filled. In three days, he was induced to believe, he would have the consolation—and he hoped he might be permitted to say to the Senator that it would be a consolation—of having a colleague on this floor who would, doubtless, intend to represent truly the views and wishes of their common constituents on this measure. The final action of the Senate on the bill would not be had until after his arrival. Mr. W. said that, under instructions from the committee, when the bill was reported, he had given notice that he would call it up yesterday. Why it was not then taken up is well known to the Senate. Whether they will now call it up rests with Senators to determine.

“Mr. WRIGHT said he had nothing more to say in reference to the time when the bill is to be brought under consideration. But he would reply to one remark of the honorable Senator in reference to the introduction of the bill into this body. I am bound to say that I concur fully with him in the change, the great change, which has taken place in the last ten years in the legislation of the two Houses of Congress, and I agree with him that this change is to be regretted. But he did not think that the Committee on Finance were responsible for the innovation. This is not even an appropriation bill. There is a small appropriation for carrying it into effect, but not touching in any way the raising of revenue. But, at the first session I was here, and it was a short session, two most important bills were passed, one for the distribution of the proceeds of the public lands, and the other the so-called compromise bill; one of them with an appropriation most important, and the other came at least very close on a bill to raise revenue. Both these bills were introduced here by the Senator from Kentucky, and I believe that was one great step to the change of which he complains. I do not say this in the way of censure, but to defend the committee from the charge

of originating the innovation alluded to. The circumstances in which the other branch were at present, and the course which had prevailed for some years past, were, in his estimation, a sufficient justification of the committee for departing from this rule."

The debate was renewed on the twenty-fifth of February. The remarks of Mr. Tallmadge were of such a character as to demand a reply from Mr. WRIGHT, which he thus made :

"Mr. WRIGHT said he should not have felt called upon to participate in this debate at all, had not the remarks of his colleague, in relation to the passage of the independent treasury bill, in this body, been made personal in their application to himself ; but as they had been so made, it was necessary that he should make a more minute statement of the facts, and of his own course, in relation to the action of the Senate upon that measure, than he had done upon a former occasion, when called out from the same quarter.

"Preliminarily, however, he was bound to confess, though he did not pretend to be very well schooled in questions of courtesy, it did appear to his mind as somewhat singular that he should be arraigned for want of courtesy as a Senator, by one who was not, at the time the transaction complained of occurred, either present or a member of the body. The Senate, as then constituted, was the tribunal to which he was properly, as he was willingly responsible for the propriety or impropriety of his conduct upon that and all other occasions, when he acted here. Those who were then Senators, and were present, saw and heard, and could judge. Upon their judgments he was willing to rest the matter. To them, and to them only, was he amenable for his course ; and he would now tell his colleague, as he had told him upon a former occasion, that he would not discuss, on this floor, with him or any other man, the propriety of his acts, within these walls, touching any matter transacted here when the complainant was not a member of the Senate. This, he hoped, would end this matter between him and his colleague here. If the gentleman chose to discuss this, or any other topic, touching his course and conduct elsewhere, he was at liberty to do so. The choice of the time,

place and manner were open to him. Elsewhere he might have rights in the matter, and he presumed he would know how to exercise them wisely, but here he could have none.

“As, however, his course upon the occasions alluded to had been characterized as ‘precipitate and wanting in courtesy,’ it was due to himself, and to those who constituted the Senate at that time, that he should detail somewhat minutely the facts in relation to the action of the body upon the independent treasury bill, during the present session, that his constituents and the country might know with how much propriety this charge had been preferred. For this purpose he would ask the indulgence of the Senate for a few moments.

“The Senate met and was organized on the second day of December last. Through the kindness of the honorable Senator who then occupied the President’s chair, and the indulgence of the Senate, he had been honored with the same place upon the standing committees of the body which he had occupied for several previous sessions, bestowed upon him, as the then presiding officer could testify, without solicitation from himself. This necessarily placed before the committee of which he was a member the reference of that part of the annual message of the President which related to the finances of the country, and consequently which related to the independent treasury bill. Thus situated, if it had been his object to escape the influence of the powerful talents of his colleague in opposition to the measure, the charge should have been that he was dilatory, and not ‘precipitate ;’ for it was not until the sixth day of January, more than a month after the meeting of the Senate, that the bill was reported from the committee. On the following day, the seventh of January the Legislature of his State was to assemble, and he could not fail to know that among their first acts would be the election of a Senator.

“By the direction of the committee, it became his duty to report the bill ; and, by the same direction, he gave notice that its consideration would be moved on that day week. The day arrived, the thirteenth of January, and passed, and on the fourteenth the bill was called up. Some discussion was had in reference to a postponement for two weeks, to give time for absent Senators to

arrive and for vacancies to be filled, and reference was made to the vacancy existing from his own State. He informed the Senate that his action, thus far, had been under the order of the committee; that, having discharged their order, he now cheerfully submitted the whole matter to the disposition of the Senate; that it would give him pleasure to have a colleague here before the bill should be finally acted upon, and that he should now be in the daily expectation of the news of an election and of the arrival of the person appointed to take his seat in the body; that he did not consider it proper for him to urge any course upon the Senate; nor should he, any farther than to give his individual vote upon the question of postponement. This course on his part called forth, at the time, expressions of approbation from a distinguished Senator of the opposition [Mr. Clay, of Kentucky], not now in his seat. The bill was under the consideration of the Senate daily, from the fourteenth to the seventeenth of January, when the question upon its engrossment was taken. This was Friday of the week, and after the question was declared, he, in violation of the wishes and feelings of a large portion of his friends, moved that when the Senate adjourn, it adjourn to meet on Monday, instead of Saturday, thus deferring the question upon the final passage of the bill to the following week. The motion prevailed. He entertained not a single doubt then that he should have a colleague present by the Monday to which the Senate stood adjourned.

“The Monday came, but not his colleague. The bill was again taken up, and the discussion upon its final passage was continued from day to day, until Thursday, the twenty-third of January, when the question was taken and the bill passed. On that day an effort was made to adjourn the Senate, to give further time for the Senator from Maryland [Mr. Merrick] to discuss the bill; and when the question was taken upon the motion to adjourn, he purposely left his seat, and did not vote.

“Now, as to his conduct toward his colleague who had chosen to make himself the author of these charges of ‘precipitancy’ and ‘want of courtesy.’ On the evening of Saturday, the twenty-fifth of January, two days after the bill in question had finally passed the Senate, the mail from the north brought him a letter,

dated at the Astor House, in the city of New York, on the twenty-third, the day on which the final question upon the bill was taken here, signed by his colleague, giving the information that he was detained in New York by ill-health (that being the first information of that character which had reached Mr. W.), and requesting that the final question upon this bill might be postponed to await his arrival, which would be on the Monday after. But a few moments had elapsed, after the letter reached his hands, when he was informed that the same train of cars which brought the letter brought also his colleague to the city.

“Upon this state of facts, well known to the Senator by a former explanation here, he rises in his place and again makes the charge of ‘precipitancy and want of courtesy.’ To such a charge, under such circumstances, and coming from such a quarter, he had no reply to make.

“His statement of facts had been made to justify himself to his constituents and the country ; it had been made to those who were Senators when the transactions took place, and could judge of the accuracy of his account of the matter. To his colleague he owed neither explanation nor reply to this repetition of such a charge.

“It would be seen that some time had been allowed, after the meeting of the New York Legislature, and before the final action of the Senate upon the bill in question, for the filling of that vacancy, and the arrival of the elected Senator to take his place in the body.

“He would leave to his colleague the duty of informing the Senate and the country at what time his election had taken place; at what time the notice of the fact had reached him; what time was occupied by him in traveling from the place of his residence to the city of New York ; what number of days ill-health had confined him there, and all the other facts which would account to their common constituents for his late arrival to take his seat in the Senate. He had not taken the pains to make inquiries into these facts, nor were they such as it became him to enlighten the Senate about. He did not doubt the ability of his colleague to give the information which seemed to be called for before he should become an accuser of others; but it was at his

option to give the information or to withhold it. To him, Mr. W., neither course had any importance, nor had he any desire upon the subject. The facts were within the reach of those to whom they owed a common responsibility, and they would make up no judgment upon either side without giving them their true weight and consideration.

“He had no disposition to follow his colleague into the discussion of the independent treasury bill upon this occasion. The subject was not new to either, and the views of both were fully known to their common constituents. He has further thought it proper to discuss again most of the subjects upon which we have differed since we became members together of this body. He, Mr. W., would not follow him in this review. He had been and continued to be content with their first discussions, and would rest himself upon them.

“His colleague had said, with some apparent feeling and triumph, that he, Mr. W., had upon those occasions proposed to refer their differences to their constituents, and not make them the subjects of debate and irritation here. He had done so, and he certainly had not regretted the reference. It was one which his duty not less than his feelings prompted him to make, and it was made to those who would take cognizance of them without their consent.

“The Senator said their constituents had decided, thrice decided. Be it so. He had not questioned the assertion nor was he to do so upon this occasion. He had not claimed to stand with the majority in his State, nor had he manifested any disposition nor did he entertain any wish to dispute the standing of his colleague in that particular. He felt no ambition to change places or positions. He said now, as he had said before, leave our public acts to the determination of those common constituents and not undertake to settle them here.

“His colleague seemed to manifest peculiar anxiety to learn whether he would obey instructions from the Legislature of the State; a doctrine, he said, which originated in the school to which he, Mr. W., belonged. He was free to avow the doctrine of instructions as belonging to his school, but the present remarks of his colleague were the first intimation he had received

that he too did not belong to that same school, upon this point at least. He was sorry to be compelled to infer that here again a difference was to grow up between them, as it seemed to threaten an entire separation in principle as well as practice.

“He was aware that this answer had not exactly reached the object of his colleague, and that he desired him to speak particularly of the resolutions of their Legislature now before the Senate. This it was not his purpose to do at present, and the only relief he could give him now was to inform him that when legislative instructions should call for it he should be ready to act promptly and decisively.”

CHAPTER LXXIX.

ASSUMING THE DEBTS OF THE SEVERAL STATES BY THE UNITED STATES.

It has been a favorite object with a class of politicians to induce the federal government to assume the debts of the respective States, or provide the means of their liquidation. State debts contracted during the Revolutionary war were assumed, at the instance of Mr. Hamilton, by Congress, upon which Mr. Jefferson made severe strictures. Those contracted in defense of the country have been uniformly paid, though with more or less delay. But ordinary debts of the States, contracted exclusively for State purposes, have never been paid by the general government. The money distributed—under the false pretense of making the States federal agents, under the name of “depositories”—to the several States was used by them as their own. Some of this may have been used by some States to pay their debts. Propositions to assume State debts were often made, but mainly by individuals seeking personal advancement. All such efforts, whether in the shape of direct assumption, or in the distribution of the proceeds of the sales of the public lands, or the distribution of money from the treasury, rest upon the same basis, the belittling of the State governments and making the general government the tax collector for them, thereby causing them to be dependent upon an all-powerful, and to them an irresponsible, authority. The assumption of State debts had ardent friends in Congress, some of whom had their fears excited that New York was pretending that her debts were larger than they really were, to secure an undue share of

what might be distributed. Mr. Flagg, then Comptroller of New York, had ascertained that the aggregate of State debts was near \$200,000,000. Foreign creditors of these States, and especially in England, had intermeddled in the matter and sent out a bankers' circular on the subject, in which attention was specially called to several States, and among them Mississippi and Arkansas, which had suspended payment, leaving the interest on their debts unprovided for.

When these subjects were before the Senate for discussion, in January, 1840, Mr. WRIGHT presented his views upon them as follows:

“Mr. WRIGHT said he found himself compelled, from the course of remark of the honorable Senator from New Jersey [Mr. Southard], to make an explanation of an explanation. That Senator was proceeding to blame the committee, and charge them with error in their statement of the amount of the debt of the State of New York. Feeling that, if error or blame were chargeable anywhere for that statement, the charge should be against him and not the committee, he asked leave of the Senator to explain, which was courteously granted. He had intended in that explanation to state the truth. He had said that he was called on by the honorable chairman of the committee, before the report was first made, to examine it upon this point; that he had told the chairman he thought their statement of \$18,000,000 as the amount of the debt of New York excessive, but that he believed he had the means of accurate ascertainment; that he referred to the annual report of the Comptroller, the fiscal officer of the State, made to the Legislature during its present session, took the amount of the debt as he understood it to be from that document, and, according to his recollection, himself erased the sum stated in the report of \$18,000,000, and interlined in his own handwriting the words ‘about fifteen and a half millions;’ and that this was done before the report was first made to the Senate.

“This explanation he had made to exempt the committee from the charge of having stated that debt at \$18,000,000, when their report was read in the Senate, and of having altered the sum

after the recommitment on yesterday, as well as to exempt them from the charge of error at all, in the statement as it now appeared. In the alteration of the sum stated in the report, as well as in his explanation of it, he had intended to give the truth; and yet the subsequent remarks of the Senator had been made to show that he was in error. [Here Mr. Southard rose and inquired if Mr. WRIGHT supposed he intended to charge him with intentional error.] Mr. W. said, certainly not; certainly not. He begged the Senator to be assured that he had made, and intended to make, no ill-natured remarks. His object was what he had declared it to be, in reference to his alteration of the report and his former explanation of that act, to arrive at the truth, and to give that to the Senate and the country upon this point at least.

“Could he have obtained the floor when he first made the attempt, and so as immediately to have succeeded the honorable Senator, he should have confined himself to a more full explanation in relation to what he supposed to be the true amount of the debt of the State of New York and the authority upon which he had assumed it to be what he had stated. He might now extend his remarks to a few other topics, but a severe cold made it laborious for him to speak, and, as well as the late hour of the day, would prevent him from being very tedious. And he would first complete his explanation in relation to the debt of the State he had the honor in part to represent here.

“The honorable Senator [Mr. Southard] had produced and read from a document emanating from the State, to show that the amount of the debt was much less than the sum stated in the report of the committee, and, by necessary consequence, that he, Mr. W., had misled the committee upon that point. He did not complain that the gentleman had produced the document or of the use he had made of it. It was a document proper to refer to for the purpose for which the Senator had made the reference. It was the message of the Governor of his State, a document which ought to carry authority with it, and especially to his honorable colleague and himself. It was the document to which he first referred, after the inquiry in reference to the amount of their State debt was made of him by the honorable chairman of the committee. He remembered that their Governor had given a

statement of the debt in his message, and there he first sought for the true amount. An examination of the document, however, was unsatisfactory to him. It spoke of certain deductions, without giving the amount of the items, and some of them were clearly parts of the existing debt of the State. An acquaintance, somewhat extensive, with these matters, in years past, satisfied him that the true amount of the State debt was not to be learned from the message of the Governor, and, having recently received copies of the annual report of the Comptroller of the State, the officer who keeps the books and accounts of the State, and whose duty it is, in this report, to show its true fiscal condition, he had recourse to that document for the information sought by the committee from him.

“The report was made to the Legislature of the State on the thirteenth day of the present month, and appended to it, as exhibits connected with the fiscal condition of the State, he found two tables, marked H and I. The tables he now held in his hand, and the entire document from which they had been taken was laying upon the desk before him. The first mentioned table, H, had this caption :

“ ‘ Statement showing the amount of Canal and General Fund stocks outstanding on the 1st January, 1840, the rate of interest, and when redeemable.’

“Then followed the various amounts of stock, arranged under various heads of expenditure, and there was carried out in the last column a general aggregate, the footing of which was \$13,697,931.03. The table I, printed upon the same sheet, had the following caption :

“ ‘ Statement of stocks issued to incorporated companies on the faith of the State, and the amount authorized to be issued.’

“The table contains the names of the companies which have received portions of these stocks, a reference to the acts of the Legislature authorizing the emission, the amount of stock already issued to each company, and the further amount authorized, but not issued, with the aggregate of both. The table is, therefore, clear and intelligible, not confounding stock authorized to be issued with that actually issued, and constituting an existing debt, and from it the amount actually issued is shown to be

\$1,847,700, while that authorized and not yet issued is \$2,762,300 more.

“To answer the committee, then, Mr. W. said he took the first two sums above named, as the existing debt of the State, and, adding them together, he found their amount to be \$15,545,631.03, and, from data of that authority, he had inserted in the report of the committee the words ‘about fifteen and a half millions’ as the amount of the actual and existing debt of his State, instead of the eighteen millions previously written by the committee. Had he given the committee the true sum? Or had he led them into error? Had he done injustice to the State he ought truly to represent, and brought merited censure upon a committee of this body, by the same act, or had he told the truth without regard to consequences?

“These were the inquiries which suggested themselves to his mind, and the inquiries he wished, so far as it was in his power, to enable the Senate to answer. The honorable Senator had shown to us the message of the Governor of the State, giving the amount of its debt, as stated by the Senator, at a sum not far different from \$9,000,000. He, Mr. W., had given the amount of that debt to the committee, and now gave it to the Senate, at \$15,500,000, or about that sum, and had rested himself upon the official report of the fiscal officer of the State, and the political, and, he supposed, personal friend of the Governor. The difference of amount was most material, considering the sums given by either party. A mistake or error of \$6,000,000 in \$15,000,000, is no inconsiderable variance from the truth, whoever may have made it.

“Of the authority which ought to be ascribed to the respective documents which had been adduced, it did not become him to speak further than he had done. For their accuracy he certainly could not indorse, further than to give the official responsibility of the authors. Still he would venture to believe that no one, here or elsewhere, would be found attempting to impeach the accuracy of the tables appended to the report of the Comptroller, to which he had referred. Did their statements and results necessarily conflict with and contradict the statement of the Governor, as to the amount of the State debt? To the casual

reader the difference was, unquestionably, wide and important. Here he thought that might not be found to be true; and indeed he was not prepared to say that, here, the errors and discrepancies might not be charged to him, instead of the author of either document.

“ Had he not listened to the debates in this body, on yesterday and this day, he could not have believed that, with all the facts before us, we could have differed about the amount of the debt of a given State. Yet those debates had shown him that this difference of opinion did exist among the members of the Senate, and that the point in controversy had a direct bearing upon the question, what was, in fact and in truth, the debt of his own State?

“ He referred to the position taken yesterday by several Senators, that the stocks or other liabilities of the several States — call them by what name you please — incurred for the benefit of incorporated companies and associations or individuals, are not, properly speaking, debts of the States; and that in speaking of the indebtedness of the several States these liabilities should not be considered. He would not now consider this doctrine any further than it had particular application to the debt of his own State; though he hoped, before this debate should close, to have an opportunity to give his views upon it at length, and to expose what seemed to him to be its dangerous character and tendency, as it respects the credit of the States, the fiscal affairs of the States and the people of the States.

“ What, then, was its application to the point in dispute, the amount of the debt of the State of New York? He had given to the committee the sum of \$15,500,000 as about the amount of the true debt of his State, and he had now shown that the fiscal officer of the State had given it on the first day of the present month at \$15,545,631.03. In this amount, however, was included \$1,847,700 of debt incurred for canal, navigation and railroad companies; and should this sum have been so included? Was it in truth a part of the State debt? The Governor of the State had not so considered it and had excluded it from his statement, which accounted for so much of the difference between himself and his Comptroller. He, Mr. W., considered it a part of the

debt of the State, and therefore included it in the sum given to the committee as the aggregate of that debt. Who was in error? What are the facts? The public stocks of the State have been issued for these amounts in the same manner as for any other debts of the State; these stocks have been sold in the market as the stocks of the State, not as the stocks of the companies or associations to which they were issued; they are at this moment in the markets of the world as the stocks of the State, without reference at all to the companies or associations; they bear the same price in those markets as any other stocks of the State having the same time to run and drawing the same interest; and the holders and purchasers rely as confidently and as exclusively upon the State for the payment of both interest and principal upon them as do the holders and purchasers of any other of the stocks of the same State. Indeed, Mr. W. said, he could not say whether there was anything in the form or upon the face of these certificates of stock which would distinguish them to a stranger from the certificates of stock issued for the exclusive benefit of the State itself.

“It was true that the companies and associations had made certain pledges to the State for the payment of the interest upon these stocks and the final redemption of the principal; and the theory of the transactions unquestionably was that these pledges were sufficient to indemnify the State against its liability. It was true, too, he believed, with a single exception, and that trifling in amount, that the companies and associations had as yet met the payments of interest. There was one case, however, where the payments, even of interest, had ceased almost with the issuing of the stock, and the State had been compelled to make those payments since without any other hope than to be forced to redeem the principle without any indemnity. He hoped this was not a sample case for these liabilities, but a solitary exception. Yet was he, was the honorable committee whose report was under discussion, at liberty to disregard these stocks when giving to the Union and the world the amount of the debt of the State of New York? Were they permitted to proclaim to the holders of these stocks, and to future purchasers, that the State does not owe them,—that they constitute no part of

its debt? And were they to do this to sustain the credit of the State in the markets of the world? He could not draw such conclusions from such premises.

“There were other grounds upon which the Governor and Comptroller of his State differed, in their respective statements of the amount of its public debt. The Comptroller has given the exact amount of the solemn obligations of the State outstanding and unpaid. The Governor has given the amount which the State would owe in case all these pledges of the canal, navigation and railroad companies were actually redeemed, and certain money of the State said to be on hand were actually applied to the payment of its debts.

“The state of facts in relation to one portion of the money spoken of in the message of the Governor is this: The Erie and Champlain Canal Fund, protected and pledged in the Constitution of the State for the payment of the debt contracted for the construction of those canals, has afforded revenue more than sufficient to meet the respective portions of the debts as they become payable. The inconvenience and risk of accumulations of money, constitutionally pledged to a particular application, have induced the State officers having charge of this money, for several years past, to offer strong pecuniary inducement to the holders of these stocks to bring them in for payment before their maturity. These efforts for the final extinguishment of that debt have failed, as to a large amount of the stocks, they being principally five and six per cent stocks held in Europe, and not redeemable until the year 1845. The amount thus outstanding is given, in the report of the Comptroller referred to, at \$2,167,558.94. For the payment of this portion of its debt, the State had done what he hoped it would always be able and disposed to do — had accumulated and was keeping the money to meet the debt when it should become due, or when it should be presented for payment. Yet, were these stocks in the hands of *bona fide* holders less a debt of the State, because the money to pay them was provided? And could the debt of the State be truly given by this committee of the Senate, without including this portion of it? If the federal government were, upon this day, to assume the debts of the various States of this Union, should we be at liberty to say to

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the State of New York, we will not pay this part of your debt, because you had money enough in your treasury to pay it when we agreed to pay your debts? These stocks are in the markets of the world, and can the State, in justice to itself, to its credit, or to the holders of this portion of its responsible paper, say it is no longer our debt, because we have once prepared the money to meet it before it was legally payable and before you could legally demand it? He had not been able to satisfy himself of the truth of any of these positions, and therefore he had included this amount as part of the debt of the State in the sum furnished by him to the committee.

“A single other ground of difference between the amount of the State debt as given by the Governor and the Comptroller would be noticed, though he did not hold himself particularly responsible to reconcile their statements. His excellency states that nearly \$1,000,000 of the money borrowed to be expended upon two of the works named has not been expended, but is yet on hand, and this money he deducts from the debt of the State. The stocks by which this money has been obtained have been issued, and are now in the hands of *bona fide* purchasers, or are offered in the public markets as safe transferable securities for money. And are they no part of the debt of the State? Could the amount of that debt be truly given, excluding these stocks? To him it seemed not, and therefore this amount also was included in the sum given to the committee as the true amount of the State debt. Would the honorable Senator [Mr. Southard] differ from him in his conclusions upon these points? He would give him a familiar case to illustrate his views. Had he borrowed, or should he borrow, of the gentleman \$100, and execute to him his promissory note for the amount, payable at a future day, with interest, would that note cease to be a debt in favor of the Senator, and against himself, because he should keep the same or some other \$100 of money in his pocket? He was very well aware that the \$100 in hand, if he chose to apply it, would prove his ability to pay the debt, but it would be none the less a debt against him, until the application was made, payment perfected and the evidence of indebtedness destroyed or canceled. He was as well aware that it had been ingeniously attempted upon the other

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side to show that the mention of these State debts by the committee, and by the friends of the report in argument, was an insinuation of the inability or want of intention on the part of the States to pay, and in that way to introduce the doctrine for which they seemed to contend, that the disposition to pay the debts, and the ability to pay them, was equivalent to actual payment, and should abrogate the debts themselves in the statements of the report. Who had attempted to impugn the faith or question the means of any one of the States to meet the debts it had contracted? No such idea or suggestion had met his ear as he listened to the reading of the report, and he challenged gentlemen to point out any such sentiment upon its face. Who had pretended to question, here, the willingness or ability of the State of New York to pay its debt, whether it should be called \$9,000,000 or \$15,000,000? Certainly no one had, unless that inference was to be drawn from the attempt to show that the State does not in fact acknowledge as a debt those transferable stocks which have been issued in pursuance of its laws, and sold in the market upon the strength of its faith and credit. [Mr. Clay, of Alabama, here inquired if Mr. WRIGHT would not give way to a motion that the Senate proceed to the consideration of executive business.] Mr. W. said he was spending more time in this explanation than he had intended, and he would leave it. He desired, however, to make a very few remarks further this evening; was sorry to find he was exhausting the patience of the Senate, and he would hasten to a conclusion.

“What was the subject presented to the Senate for its action by the report of the committee under consideration? Was it the amount of the State debts, or their security in the hands of the holders of the stocks and bonds? Was it the soundness of the positions or the clearness and correctness of the reasoning of the report itself? It was none of these things. The resolutions presented by the committee were the only subjects upon which the Senate was requested to act, or could act. The report was nothing more than the argument of the committee to sustain their conclusions, which were given in the resolutions. What were they? Simple, concise and intelligible declarations that it would be unjust, inexpedient and unconstitutional

for Congress to pass a law assuming the debts of the States, and charging their payment upon this government. The amount and the existence of the debts of the States are mentioned in the report for no other purpose than that of argument and illustration to establish the conclusions to which the committee have come. Still, the report and not the resolutions had been made the subject of the debate for two days. References to it as the argument of the committee to support their conclusions were manifestly proper, and refutations of their positions and reasoning was a fair mode of combating the conclusions based upon it. Had the debate hitherto seemed to have had that object? Did there appear to be any difference of opinion among the members of the Senate in relation to an assumption by this government of the debts of the States?

“The committee, it was true, had been called upon to say by what authority they acted at all in this matter? How it was that they had assumed to present to the Senate a long argumentative report and various resolutions, against a proposition which no man had made or contemplated? They had answered that they acted by special order of the Senate; that they were constituted a select committee of the body solely to consider and report upon this subject; that it had been referred to them in the form of resolutions submitted by a Senator not a member of the committee; that they were in no way responsible for bringing the matter before the Senate, and had acted upon it under the express order of the Senate, according to their best judgments, and in the conscientious discharge of what they believed to be their public duty. These answers of the committee had not appeared to be satisfactory, and the complaints against them for having acted at all upon the subject were continued, while all seemed to express astonishment at the very idea of an assumption of the State debts by this government. This he understood to be the spirit and tendency of the remarks of the honorable Senators from Kentucky [Mr. Crittenden] and Massachusetts [Mr. Webster], yesterday, of the honorable Senator from South Carolina [Mr. Preston], on both days, and of the honorable Senator from New Jersey [Mr. Southard] to-day. [Mr. Webster here rose to explain. He said he did not express astonishment at the idea

of the assumption, but at the manner in which the subject had been brought before the Senate, without the application of a single State in the Union, or even of any individual citizen.] Mr. W. said he asked the pardon of the Senator. He certainly did not intend to misrepresent him. He had listened attentively to his remarks addressed to the Senate on yesterday, and had inferred from them that he was distinctly opposed to the assumption, and astonished that the matter should be treated as one in the serious contemplation of anybody. If he and his friends were in favor of the assumption, he had wholly misapprehended them, and was glad to be corrected, as he would not designedly misrepresent their opinions upon this or any subject. [Mr. Webster rose again in explanation. He said he had not declared himself in favor of the assumption; and he called upon the Senator to refer to anything he had said which constituted such a declaration.] Mr. W. said he was again at fault, but certainly unintentionally. He had quoted the honorable gentleman as against the assumption, and was corrected. He had now spoken of him as for it, and was again corrected. It was evident, therefore, that he did not understand his position, and he would leave its explanation to himself. He had been felicitating himself that there was no division of sentiment in the body in relation to the resolutions tendered by the committee, but in that, too, he was probably mistaken.

“He was very properly reminded, by a Senator near him, that the question now depending was simply upon printing the report and resolutions. Upon that question he had not one word to say. He had followed the course of the debate hitherto, and if he had wandered from the proper point for remark, that had led him away.

“He must follow it one step further, which should close what he had to say at present. This report had met a resistance, upon its very entrance into this chamber, which had been offered to very few papers of any character since he had had the honor of a seat here. The principal matter of the charge, too, had surprised him quite as much as the time and manner of it. What was the great and grave objection which had been rolled with so much force and energy from this to the other side of the hall?

It was that the report was an attack upon the sovereign States of this Union; a violent infringement of State rights; a servile war upon them. A proper regard for the rights of the States, as members of the confederacy, was said to be one of the professed doctrines of the party to which he belonged, and yet a flagrant violation of every principle of it was supposed to be proclaimed in this report. For himself, he could say, as did the honorable Senator who sits before him [Mr. Crittenden], he had never made much pretension upon this point, but he believed he regarded the principle and the duty of preserving the State sovereignties in our system as deeply as most public men. Yet he was bound to say the danger to them from the paper presented by this committee, and now upon the table of the Secretary, was not so perceptible to him as it seemed to be to those who had not even professed to belong to the State-rights school.

“What was the violation of right complained of, and whence the danger apprehended? Giving the amount of the debt of a State was the violation of its sovereign right, and talking about that debt was to be the destruction of its public credit? Talking about it how? Suggesting the inability of the State to pay? No; for no such suggestion is contained in the report, or has been made in debate. Impeaching its faith and intention to pay? No; for no such impeachment is put forth, or even insinuated, in or out of the report. Talking, then, of the debts as existing, of their amounts, of the revenue arising to the States from the objects of expenditure for which the debts have been contracted, and of the impolicy of separating the one from the other, and of leaving the revenues to the States, while the debts, interest and principal are thrown upon this government for payment? This is the manner in which the report speaks of the State debts, and here, if anywhere, must be found the support for the grave charges which are made against it.

“Mr. W. said he would take his own State for an example. The report assumed to state the amount of its debt. It was apprehended that the statement was excessive, and yet the report declares that the revenues annually accruing from the objects of expenditure are more than sufficient to meet the interest upon the amount of debt given. Is the statement of these facts, in a

report to the Senate by one of its committees, an infringement of the sovereign rights of that State? Are the facts stated calculated to destroy its credit at home and abroad, and thus to bring unmerited injury upon it? In short, Mr. President, said Mr. W., is the credit of any one of the free and proud States of this Union so frail and feeble, and sustained upon so unreal a basis, that the simple truth, told in relation to its pecuniary liabilities, will destroy it? Will any man in these seats claim the fact to be so as to the State he represents here? Will any one assert or believe it as to the State from which I come, and of the financial affairs of which I suppose I am permitted, at all times, here and elsewhere, respectfully and truly to speak? Sir, she has hitherto paid her debt faster than it has fallen due, and so long as wisdom shall guide her counsels she will continue to do so. She has the means to preserve her faith and her credit, without depending upon the ignorance of the world as to her liabilities; and if the time shall come when she shall be willing to pledge the former, or to send forth the latter for a market, relying upon such a dependence, that will be the time when the truth should be known, regardless of the consequences to her.

“Take her debt, sir, and who believes it unjust to her to urge the inexpediency of separating it from her rich revenues, and throwing it upon this government for payment? To her it is light, because, in the course of its contraction, she has laid the foundation for permanent revenues more than sufficient to meet the accruing interest. Transfer it here, without those revenues, and it becomes a dead-weight. So with the debts of all the other States. They, too, must be separated from the revenues, which have been made consequent upon them, if they are assumed by this government; and in such a general arrangement, the existing burdens of New York could not be lessened, while they might be fearfully increased. Her proportion of any debt of this government would rest as directly and as heavily upon her people as an equal amount of her own debt, while the interest would be met, and the principal redeemed, not by her revenues, set apart for the purpose, but by the heavy operation of the taxing power here.

“Think you, sir, she will call upon you, under such circum-

stances, and with such prospects, to assume her debt? I confidently hope and believe not. She has been to you once. I believe she was the first to ask your aid for objects of internal expenditure. You refused her rightly then, and I pray she may be the last to invite another refusal.

“Let the States manage their own affairs in their own way, in reference to their local expenditures and the debts to be contracted for them. They will have the revenues to be derived, and let them meet the payments to be made; not separate the one from the other, and tie the debts, with the weight of a millstone, about the neck of this government.”

CHAPTER LXXX.

REPEAL OF THE SALT DUTIES.

On the 5th of December, 1839, Col. Benton introduced a bill to repeal the act “laying a duty on imported salt, granting a bounty on pickled fish exported, and allowances to certain vessels employed in the fisheries,” approved July 29, 1813, and all acts amending the same. The act sought to be repealed was passed, and had been continued, under the assumption that the fisheries were the nurseries to furnish sailors, and that the supply could not be kept up without this legislative favoritism. The law was distasteful to southern and western people. The subject was thoroughly discussed and with some evidences of warm feeling. The effect of past legislation upon the interest of the owners of salt springs was considered and discussed. New York being the owner of valuable salt springs at Salina, which yielded her a respectable revenue, it was natural that her representatives in Congress should feel a deep interest and participate in the debate. Salt being an article of universal use, the people at large were interested in securing it at the lowest possible price. This made the measure proposed by Col. Benton very acceptable to the people. Mr. WRIGHT’s views on the question were those of a statesman, as the subjoined remarks will show:

“Mr. WRIGHT said he rose to ask what was the question before the Senate? The debate had taken so wide a range that the real question was likely to be lost sight of. What was it? Simply to print the papers referred to in the motion of the Senator from Missouri. Those papers had been presented by that honorable Senator to the Senate; had been, on his motion, referred to the

Committee on Finance, and were now reported back by that member of the committee with instructions to ask for their printing. The motion to print was now before the body and was the only question presented for its action. Would any one who had listened to this debate, without a knowledge of these facts, have supposed this to be the question under discussion? Would they not rather have supposed that the bill for the repeal of the duty on salt, or some measure having for its object the punishment of monopolies and frauds in the dealers in salt, was now before the Senate and about to receive its action? It seemed to him that no other conclusion could have been formed by the impartial listener to the discussion. Yet no such proposition as either of these had been presented by the Committee on Finance.

“It was true a bill had been introduced by the honorable Senator from Missouri, proposing to repeal the duty on salt, and that bill had been referred to the Committee on Finance; but it was also true that the committee had not yet even taken up that measure for consideration, much less made any report upon it. It remained in the hands and possession of the committee, wholly unacted upon, and was not in the possession or within the reach of the Senate for its action. Still, the debate would have compelled a hearer to suppose that the committee had reported back that bill, had recommended its passage and were now urging the Senate to final action upon it. Not only so, but the further impression would be produced that the Committee on Finance of the Senate had originated and presented to the Senate penal enactments against those who had attempted to govern the price of salt in various parts of the country by associated monopolies.

“It was his duty, standing as he did in relation to that committee, to correct impressions so erroneous and so certain to follow wherever a report of this debate should go. The committee, as he had already said, had not even considered the bill to repeal the duty upon salt. They had not, so far as he knew, formed any opinion in regard to that measure. Certainly they had not, as a committee, expressed any opinion upon it; much less had they attempted to assert the right in Congress to punish monopolies and mischievous associations in the States of the Union, of any character. They had simply recommended the printing of

certain papers referred to them by an express order of the Senate, touching the subject of the salt bill and the fishing bounties, though he did not himself consider a portion of the papers as relating very directly to any of the provisions of the bill before the committee. Yet that portion of the papers was, as he thought and as the committee thought, well worthy of publication. They disclosed facts deeply interesting to every inhabitant of the whole country, to every interest connected with the essential article of salt.

“He was not very familiar with the contents of the papers. They were voluminous, and the committee had not thought it necessary to detain them for minute examination in their manuscript form, after they had seen enough of their contents to render the printing, in their judgments, proper. He could not, therefore, speak particularly of the information proposed to be furnished to the Senate and the country by the printing. He would make one or two general references to parts of it, and to those parts less relating to the salt bill; and he would make the practices at the Kanawha salt works the basis of his statements, because he thought he recollected more particularly the history given in the papers of the fraudulent and mischievous practices there. He would be corrected by the honorable Senator from Missouri, who was perfectly familiar with the whole testimony, if he should err in his facts.

“One of the practices to which he alluded was that of forming an association to monopolize the whole of those extensive works in the hands, and under the control, of a single company; then to limit the supply of salt for the country depending upon those manufactories for the article, and thus to raise the price most exorbitantly to the consumers. The process was to possess themselves of a small number of the manufactories for actual use, and to pay a stipulated annual rent to all the others to remain idle and make no salt; then to district the country to be supplied with salt; to appoint a selling agent for each district; to send all the salt for each district to that agent, and to him only; and to give him, from time to time, a limit or minimum of price, below which no salt should be sold in his district. To such an extent had this system been carried, that of some 160

manufactories at Kanawha, but forty had been worked for the year, the remaining 120 being hired to remain closed; while salt to the consumers, dependent upon these works for a supply, had been raised to the enormous price of three dollars, and he believed sometimes even much higher, for the bushel of fifty pounds weight.

“Another practice was also disclosed, not less reprehensible, and perhaps infinitely more injurious to the public. This was the practice of adulterating, by system and design, the small quantity of salt made, and thus sparingly dealt out to the community under the arrangements for extortion before described. The adulteration was effected by using chemical agents to retain in the salt impurities held in solution in the water, and which, without being thus retained, would be principally, if not entirely, separated and excluded by the simple process of boiling. Tallow was said to be the principal agent thus employed, and such was the effect described to be, that, while the salt made would have a more rich and white and beautiful appearance to the un instructed eye, 100 pounds of tallow was considered equivalent to the ordinary rent of a manufactory for a season, or about 5,000 bushels of salt.

“Mr. W. said he would go into no further detail as to the contents of these papers, nor would he stop to consider the pertinency of the facts he had stated to the salt bill in the hands of the committee. It was enough for his purpose that the statements were made, that they were laid before the Senate and the committee as facts, that they rested upon responsible authority, and that they were deeply interesting to the whole country. These considerations were sufficient to induce him, as a member of the committee, to recommend the printing, and would induce him, as a member of the Senate, to vote for it.

“The charges against the manufacturers of and dealers in salt are grave and particular. Are they founded in truth? If so, the public ought to have full possession of them. Are they false? They ought to be made known that they may be met and refuted. Why, then, should we refuse to print the papers? Upon what grounds was the motion opposed? Strange as it might seem, principally upon the ground that the printing would be an infringement of the rights of the States!

“An infringement of the great State-rights principle, in our system, for the Senate to order the printing of these papers — papers, if true, developing the most wicked system of frauds and impositions, in reference to one of the necessities of human and animal life, which has ever been developed to an intelligent people? And how is this objection to the printing sustained? By a reference to his own State! He is told here that she is the greatest monopolizer of salt in this Union, and that the printing of these papers will damnify her important interests in the article. Is this so? No, sir; no. Her interests in her extensive and useful salt works are not to be injured by developing the frauds and impositions practiced elsewhere. On the contrary, her direct interest is to have these papers printed, and the truth known in reference to the whole matter, and especially that she may thus show the superiority of her system of police upon this subject. She has not submitted the manufacture of salt, at her works, to speculators and monopolizers, so far as the purity of the article is concerned. That power she has retained in her own hands. Every drop of water boiled, or evaporated, is supplied by State agents and under the supervision of State officers, and every bushel of salt made is carefully inspected by a competent State officer, and its purity thoroughly tested, before it is permitted to seek a market among the consumers. Without fraud and perjury in these officers, or smuggling on the part of the manufacturers, no imposition can be practiced upon the public in the quality of the New York salt. The same police is a perfect defense against the monopolies complained of in these papers. They could not exist without the knowledge of the officers referred to, and they would be faithless to their duty to suffer them to exist for a day without being made known to the whole State and to the whole country. This obligation would arise from their moral duties as public servants; but there is another obligation upon them more direct and immediate. The State imposes a duty per bushel upon the salt made, and to guard and protect and foster that revenue is the especial duty of these officers. Any association, therefore, to diminish the quantity of salt made, would be, to the same extent, a conspiracy to diminish the State revenue, and would, in that way, come within the

especial jurisdiction of those officers, and call upon them for prompt exposition.

“It is not new to the experience of that State that great frauds may be practiced in the adulteration of the salt made, nor is it that extortion in the price of the salt may be attempted by the manufacturers. Hence the retention by the State of its minute control over the whole matter, and its constant and continued efforts to furnish a pure and wholesome quality of salt. It is not enough, upon this point, that frauds and intended adulterations are guarded against. Expense must be incurred, the nicest processes of manufacture must be adopted, and the extremest vigilance used to expel from the water its impurities and make it yield a pure salt. To these points the constant attention of the State inspectors has been directed, and the results, within the last twenty years, have been triumphant.

“Is that State, then, to be told that her interests depend upon secrecy in these matters — that her revenue is to be destroyed by the publication of these papers, and the exposition of abuses, such as he had pointed out, existing elsewhere? Are her dignity and sovereignty to be infringed by such a publication, a proclamation of frauds connected with other salt works in the country, similar to those which her experience has taught her would exist at her own but for the vigilant supervision which she has been wise enough to retain over them?

“No, Mr. President, said Mr. W., New York has no such fears to entertain from this harmless motion. She has, however, a direct interest in the publication of these papers. Her salt is a pure article. It goes into the market without combinations to raise the price. Her works can supply any quantity for which a fair market can be found, and her revenue is graduated by the quantity manufactured and sold. If, then, it be shown that, in consequence of frauds at other salines, she can furnish a better and cheaper article to their customers, her interests are promoted by the development. What is the fact now stated by the honorable Senator from Kentucky [Mr. Clay]? That he has, for the last year or two, obtained his supply of salt from the New York works, and that he has received a pure article at a fair price. Where are the Kanawha works, compared with those of New

York, in reference to him? And, if the New York salt can descend the Ohio to the point required to supply the honorable Senator, what portion of the country is there, accustomed to depend upon the Kanawha works for a supply of salt, which cannot be supplied from Onondaga? Let the facts be known, then. Let it be understood that a wide and open market exists for pure salt within the reach of the New York works, and he would be responsible for the injury to her interests, her feelings or her sovereignty, from the publication of the fact.

“Suppose, sir, that the charges contained in these papers were directed against the New York salt manufactories, would it be my duty to rise in my place here and resist their publication? No, sir. Whether true or false, that State would exact no such duty from her representatives here. It has never been her practice to conceal any attempts at fraud connected with her extensive and rich salines. On the contrary, she has always sought to give to every imposition upon the public the most extensive publication, and she will not require of those who represent her here to attempt to make secrets of that information in relation to others, which she invariably makes public in relation to herself.

“Another objection to the printing of these papers is urged, not less singular than that which has just been considered. It is said that the motion savors of agrarianism; that the attempt to expose these monopolies and frauds here by a publication of the proof of their existence and extent is acting upon a principle which, carried out in practice, would lead to the distribution of property and the other leveling doctrines of the agrarians. Mr. W. said it would be difficult to make any distribution of property by which he should not be benefited in a pecuniary sense, but it was nevertheless a doctrine which he repudiated, and he should be compelled to vote against the motion if he could see that principle in the order to print. He could not, however; and he was surprised to hear the opinion advanced. No legislation is proposed, and all that is asked is the simple publication of most important information upon a subject of universal interest. If the statements contained in the papers be true, he was sure no one would attempt to justify the practices complained of. Should they not, then, be made known?

“Suppose it were charged here, with the authenticity of this testimony, that a number of farmers in western New York had combined to raise and control the price of provisions, and that to accomplish their object they had hired three-fourths of the farmers of that fertile wheat-growing region not to cultivate their farms for a given season; would it be his duty, as a representative of the State here, to resist the publication of the fact? No. It would be his duty, as well to his State and the people he represented as to himself, to give it publication, to proclaim it to the world, and thus do all that it is in our power to do to arrest the intended evil.

“The honorable Senator from South Carolina [Mr. Preston] had said that we do not represent the people here; that we are the representatives of the sovereign States, not of the people of the States; that one Senator may represent a million of population and another one hundred thousand, and yet we are all equal here. This is true; and yet, where rests the sovereignty of the States but in the people? Who are the sovereigns of the States but the people? And would he have those of us who represent populous States forget our increased obligations, growing out of the increased interests committed to our charge? Would he make us unmindful of the fact that we represent millions instead of thousands, and of the interests, the wishes and the safety of those millions? [Here several Senators, among whom the voices of Mr. Webster and Mr. Clay were heard, said ‘Yes, that is the rule; we ought to represent the people of our respective States.’] Mr. W. said he thanked the gentlemen for reminding him of the tendency of his remark. It would save him a future explanation. He had said upon that point precisely what he intended. He held it to be his duty truly to represent the wishes and interests of the people of the State which had honored him with a seat here, and he should continue to govern his acts and votes by what he believed to be those interests and wishes, unless arrested in his course by the command of another and a controlling voice. He hoped this explanation would satisfy the gentlemen upon the other side of the House, who had manifested so kind an interest in his faithfulness to his constituents.”

CHAPTER LXXXI.

THE CUMBERLAND ROAD BILL.

In 1806 Congress made an appropriation to construct a road from Cumberland, in Maryland, to the Ohio river, payable out of a two per cent fund derived from the sales of public lands within the limits of certain States, usually granted to States on their admission. By different enactments this road, by 1831, was authorized to be extended through Ohio, Indiana and Illinois to the Mississippi river. Some appropriations were made direct from the treasury. It was claimed that this road added to the value of the public lands and promoted their settlement and sales. After a time Congress authorized the erection of toll-gates on it by the States through which it passed, and in the end the road was abandoned by the government, and by act of Congress was transferred to the States through which it passed. It was a great work in its day, but is now hardly known by its former name, or in anywise much distinguished from other roads in the western States.

On the 31st of March, 1840, when the bill for the continuation of this road was before the Senate, Mr. Clay, of Alabama, moved to strike out the two per cent clause. Mr. WRIGHT addressed the Senate, and fully explained his position and the reasons for his former votes and the one which he now intended to give.

“Mr. WRIGHT said he did not rise to debate the merits of the Cumberland road bill. That duty he left to those who, from local position and more extensive acquaintance with the utility of the work, could better discharge it. Still, he had for some years now last past given his vote for these appropriations, and he desired

to do so now. He was anxious that the bill should retain its usual form—the characteristics which had distinguished appropriations for this road from those for internal improvements generally. This work was thus distinguished from the peculiar circumstances which had led Congress to undertake it, and appropriations to continue it could have his support only upon the condition that those distinctions were carefully and fully preserved.

“From these remarks it would be seen that his object was to discuss, not the general merits of the bill, but the particular motion of the Senator from Alabama [Mr. Clay]. If that motion prevailed the bill would be placed beyond the reach of his vote, and, as he had learned, of the votes of several other Senators. He hoped the motion would not prevail, and he must ask a small portion of the time of the body for an attempt to show to the friends of the measure that it should not prevail.

“What was the motion? It was to strike out from the bill the following words:

“‘Which said appropriations are made upon the same terms, and shall be subject to all the provisions, conditions, restrictions and limitations touching appropriations for the Cumberland road contained in the act entitled “An act to provide for continuing the construction and for the repair of the Cumberland road,” approved the third day of March, eighteen hundred and thirty-seven.’

“A reference to the act of 1837 would show the effect of this proposed amendment, by showing the ‘provisions, conditions, restrictions and limitations’ contained in that act, subject to which the bill, in its present shape, proposes to make these appropriations, but from which the amendment, if adopted, will free them, and leave the appropriations open, general and unconditional. He was satisfied, too, that this examination would prove that the proposition to amend was even broader than the honorable mover intended or desired; that there were ‘conditions and limitations’ in that act which even he did not desire to remove; from which he would not wish to relieve these appropriations, in case they were to be made.

“What, then, were the ‘conditions, restrictions and limitations,’ in the act of 1837, referred to?

“The first was found in the first section of the act, in the following words:

“ ‘That the said road within the State of Illinois shall not be stoned or graveled, unless it can be done at a cost not greater than the average cost of stoning or graveled said road within the States of Ohio and Indiana.’

“This, he presumed, was a ‘limitation’ which the honorable mover of the amendment, and those who would vote with him, did not desire to repeal.

“The second was in the same section, and in the following words:

“ ‘That, in all cases where it can be done, it shall be the duty of the superintending officers to cause the work on said road to be laid off in sections, and let out to the lowest substantial bidders, after due notice.’

“Here, again, was a ‘restriction’ which he did not suppose the opponents of the bill would be anxious to remove.

“The third ‘condition’ was found in the second section of this act of 1837, in the following words :

“ ‘That the second section of an act for the continuation of the Cumberland road in the States of Ohio, Indiana and Illinois, approved the 2d day of July, 1836, shall not be applicable to expenditures hereafter to be made on said road.’

“The section of the act of 1836, here referred to, requires that the moneys appropriated shall be so expended as to complete the greatest possible continuous portions of the road, ‘so that such finished parts thereof may be surrendered to the said States respectively.’ Should the amendment prevail, this section of the act of 1836 would be again restored and made one of the ‘limitations’ upon these appropriations, from which the second section of the act of 1837 had relieved them. This would be in no way objectionable to him, though he supposed it would be to the more immediate friends of the work, inasmuch as the limitation, having been imposed in 1836, had been removed in 1837, at their instance.

“These were the ‘conditions, restrictions and limitations’ which he supposed the honorable mover of the amendment had not considered, and some of which, at least, he presumed he would not desire to remove. He felt sure that some other Senators would be unwilling to part with the first two, as he well recollected they had been inserted in the act of 1837, after a severe struggle, and were then relied upon, by the honorable Senator

who moved them [Mr. Clay, of Kentucky], and those who acted with him, as highly essential.

“Yet it was not his object to discuss these points. He had simply referred to them, that Senators might not, unwittingly, adopt an amendment which should relieve these appropriations from conditions and limitations to which they had, upon former occasions, been strongly attached.

“He was aware that the honorable mover of the amendment had another object, viz.: to get rid of the fourth section of the act of 1837, which was in the following words:

“‘That the several sums hereby appropriated for the construction of the Cumberland road, in the States of Ohio, Indiana and Illinois, shall be replaced by said States respectively out of the fund reserved to each for laying out and making roads under the direction of Congress, by the several acts passed for the admission of said States into the Union, on an equal footing with the original States.’

“‘This is the real point of controversy involved in the amendment; this the ‘condition’ which it is the object of the honorable mover to test by a vote; and this is the distinctive feature of these appropriations which he, Mr. W., wished to retain. To this point, therefore, this two per cent fund, and the propriety of continuing to pledge these appropriations upon it, he should direct his remarks. He would be as brief as possible; but an examination of the origin of that fund, of the appropriations for the Cumberland road, and the present state of facts as to both, would be necessary to make his argument clear and intelligible.

“‘The cession by the State of Virginia to the United States of the territory north-west of the River Ohio contained, among others, the condition, that of that territory there should be formed not less than three nor more than five free republican States, which, under certain limitations prescribed, should be admitted into the Union upon an equal footing in all respects with the original States.

“‘The State of Ohio first made application for this admission, and, on the 30th day of April, 1802, Congress passed an act entitled ‘An act to enable the people of the eastern division of the territory north-west of the River Ohio to form a Constitution and State government, and for the admission of such State into the

Union on an equal footing with the original States, and for other purposes.' Among other provisions in this act, Congress, by the seventh section thereof, offered to the convention of the people of Ohio, 'for their free acceptance or rejection,' three several propositions, intended for the mutual benefit of the State and the United States, and declared that, if accepted by the convention, they 'shall be obligatory upon the United States.' The third of these propositions is the one material to this discussion, and is in the following words :

" ' *Third.* The one-twentieth part of the net proceeds of the lands lying within the said State, sold by Congress, from and after the thirtieth day of June next (1802), after deducting all expenses incident to the same, shall be applied to the laying out and making public roads, *leading from the navigable waters emptying into the Atlantic, to the Ohio, to the said State, and through the same* ; such roads to be laid out *under the authority of Congress*, with the *consent of the several States* through which the said road shall pass. *Provided, always*, that the three foregoing propositions herein offered are on the conditions that the convention of the said State shall provide by an ordinance, *irrevocable without the consent of the United States*, that every and each tract of land sold by Congress, from and after the thirtieth day of June next, shall be and remain exempt from any tax laid by order or under the authority of the State, whether for State, county, township, or any other purpose whatever, for the term of five years from and after the day of sale.'

" Here was a compact between this new State and this government, for the convention of Ohio did freely accept the propositions and conform to their terms and requirements; and here was *the compact* which gave existence to the Cumberland road, and threw it upon the hands of the United States.

" A single step further will show the origin of the two per cent fund, as contradistinguished from that five per cent fund, or 'one-twentieth part of the net proceeds of the lands,' constituted by the compact last referred to, and devoted to the construction of roads from the Atlantic waters 'to the Ohio, to the said State, and through the same.'

" On the 3d day of March, 1803, about eleven months after the passage of the act containing the propositions tendered to the convention of the people of Ohio, and which propositions that convention accepted and complied with, Congress passed an act entitled 'An act in addition to and in modification of the propo-

sitions contained in the act entitled,' etc., being the act of the 30th of April, 1802, before referred to. This act conferred upon the new State many other and further advantages beyond those covered by the three propositions tendered to the convention in the former act ; but the only one of its provisions affecting this discussion is that found in its second section. It was unnecessary to read the section, which was long. The substance of it was, that three per cent, of the five per cent reserved in the ordinance which has been read, was directed to be paid over to the State, to be applied 'to the laying out, opening and making roads within the said State, and to no other purpose whatever,' thus leaving but two per cent of the net proceeds of the lands to be expended 'under the authority of Congress,' in 'laying out and making public roads leading from the navigable waters emptying into the Atlantic, to the Ohio, to the said State, and through the same.' This act constituted the two per cent fund, by taking from the hands of Congress and giving to the State for expenditure three per cent of the five reserved to Congress by the original ordinance.

"Still, the obligation upon Congress remained of expending the two per cent in the 'laying out and making public roads, leading from the navigable waters emptying into the Atlantic, to the Ohio, to the said State, and through the same;' and to discharge that obligation, this great and troublesome and expensive work, *the Cumberland road*, was commenced.

"The chronological order of events would here call upon him to examine the first appropriations for the road; but he thought he should be able to accomplish the task he had undertaken with greater brevity, and make himself more perfectly understood, by following first the admission of the States, as far as that should be necessary for the question presented.

"The next free republican State admitted into the Union from the territory north-west of the Ohio was Indiana, and the act of Congress for her admission was approved on the 19th day of April, 1816. The course pursued by Congress was very similar to that finally adopted with the State of Ohio, and it will not, therefore, be necessary to detain the Senate by the reading of either of the propositions submitted to the convention of the

people of this State. It will suffice to say that, upon this point, they varied from the original propositions submitted to the convention of Ohio in three particulars, viz.:

“1. Two per cent of the net proceeds of the lands only are reserved to be expended under the authority of Congress, and that fund is to be expended in laying out and making roads *to* and not *through* the State.

“2. Three per cent is reserved in the ordinance for and to be paid to the State.

“3. The three per cent is to be expended by the State in making roads, *or canals*, within it.

“In all other substantial particulars the compact with Indiana was similar to that with Ohio.

“The State of Illinois came next in the order of admission, the act of Congress for the purpose having been approved on the 18th of April, 1818. The compacts with this State differed, in some respects, from both the former, but a short statement should relieve the Senate from reading the propositions, which were long.

“1. The two per cent fund is reserved, as in the case of Indiana, to make roads *to*, not *through*, the State; but, as in the other two cases, is to be expended for that purpose, ‘under the direction of Congress.’

“2. The three per cent is reserved for, and to be paid to, the State, but is to be ‘appropriated, by the Legislature of the State, for the encouragement of learning, of which one-sixth part shall be exclusively bestowed on a college or university.’

“3. The equivalents are an exemption of military bounty lands from taxation for three years after patents issue, if they continue to be the property of the patentee or his heirs, and a stipulation that lands belonging to citizens of the United States, not residing in the State, shall never be taxed higher than the lands of resident citizens, in addition to the exemption from taxes of all government lands for five years after a sale.

“Two remarks seemed to be called for from the compacts with the two last named States. The first was that the two per cent fund, to be expended ‘by the authority of Congress,’ or ‘under the direction of Congress,’ was reserved in both. The second

was, that the three per cent reserved for, and to be paid to, the State, was not reserved, in the last two cases, with any reference to the continuation of any road 'leading from the navigable waters emptying into the Atlantic,' to either of the said States, and consequently not to the Cumberland road, because, as to Indiana, the fund might be applied to the making of roads, or canals, within the State, at its option; and as to Illinois, the Legislature was compelled, by the very terms of the ordinance, to apply it 'for the encouragement of learning.' The two per cent fund, therefore, was relied upon for the roads mentioned in the various ordinances, to be made under the direction of Congress, whether they were to be continued to or through the States which were parties, and not the three per cent, which was reserved for the States, was to be expended by them, at their pleasure, or for works or objects of a character different from these roads.

"He was now prepared to go back, in point of time, and examine the appropriations for the Cumberland road to see how far the action of Congress hitherto had conformed to the basis of these appropriations laid in the ordinances which admitted the three States into the Union.

"On the 29th of March, 1806, the President of the United States [Mr. Jefferson] approved an act of Congress entitled 'An act to regulate the laying out and making a road from Cumberland, in the State of Maryland, to the State of Ohio.' This act gave existence to the Cumberland road, and an examination of its provisions will show, what its title so well imports, that it was an earnest beginning of the fulfillment on the part of the United States of that compact with the new State of Ohio which has been before recited; that it was the commencement of a road 'leading from the navigable waters emptying into the Atlantic to the Ohio, to the said State.' It was not material for his purpose to review the provisions of the act, any further than to examine the appropriating section and see whether it kept to the terms of the ordinances and to the fund thereby reserved for the object. The sixth section of the act was this one, and was in the following words:

" 'SEC. 6. *And be it further enacted*, That the sum of thirty thousand dol-

lars be and the same is hereby appropriated to defray the expense of laying out and making said road. And the President is hereby authorized to draw, from time to time, on the treasury for such parts, or at any one time for the whole of said sum, as he shall judge the service requires. *Which sum of thirty thousand dollars shall be paid, first, out of the fund of two per cent reserved for laying out and making roads to the State of Ohio*, by virtue of the seventh section of an act passed on the thirtieth day of April, one thousand eight hundred and two, entitled "An act to enable the people of the eastern division of the territory north-west of the River Ohio to form a Constitution and State government, and for the admission of such State into the Union on an equal footing with the original States, and for other purposes;" three per cent of the appropriation contained in the said seventh section being directed by a subsequent law to the laying out, opening and making roads within the said State of Ohio; *and secondly, out of any money in the treasury not otherwise appropriated, chargeable upon and reimbursable at the treasury, by said fund of two per cent as the same shall accrue.'*

"Here we are shown fully the origin of this work called the Cumberland road, the basis upon which its adoption by Congress rested, and the fund from which the expenditures were to be defrayed. In every respect the work was peculiar, as a work of internal improvement prosecuted by the authority and under the direction of Congress.

"This very first act, too, as its terms fully show, adopted the principle of anticipating the avails of this two per cent fund by a general appropriation from the treasury, charged upon the fund and to be reimbursable out of it. It was not necessary for him to defend the wisdom of this policy at that early day. It was sufficient that it was then adopted and was one of the expositions by the then fathers of the powers and duties of Congress growing out of these new and peculiar compacts with the new States. It was too late for him now to question the soundness of the principles upon which they acted or the wisdom of the policy which guided their course. Nearly every Congress, from 1806 to the present time, had followed in their footsteps, and every President of the United States, from Mr. Jefferson to the present incumbent, had approved bills appropriating money for this road.

"Had these bills followed the form of appropriation found in the law of 1806 above quoted? He had taken great pains to answer this inquiry correctly and truly, and, with two single

exceptions, upon which he would particularly remark, he believed that every appropriation for the *survey* and *construction* of the road had been expressly, in the law making it, charged upon the two per cent fund and made reimbursable out of it. He had found some bills appropriating money for the repairs of those portions of the road which had been once called completed which did not contain this pledge, as he thought they should not. These were mere appropriations for the preservation and security of the property of the United States, as this road, when finished, clearly was, until transferred to the States or otherwise disposed of. It was barely possible that there might be some further exception of appropriations for survey and construction, but he could not think there were, as he had intended to make his examination full and accurate.

“How, then, did the two exceptions stand? The first is an act of Congress, approved on the 15th of May, 1820, when Mr. Monroe was President. It is peculiar in itself, and perhaps ought not to be considered an exception to the rule under discussion. Its title is, ‘An act to authorize the appointment of commissioners to lay out the road therein mentioned.’ This will show that the whole object of the act was a survey. The act has a preamble, which is in these words: ‘Whereas, by the continuation of the Cumberland road from Wheeling, in the State of Virginia, through the States of Ohio, Indiana and Illinois, *the lands of the United States may become more valuable*,’ thus placing the legislation upon a ground separate from and independent of the compacts with the States and the fund therein provided. The act then goes on to provide for the survey of a road from Wheeling to some point on the left bank of the Mississippi river, between St. Louis and the mouth of the Illinois river, and appropriates \$10,000 generally, to be paid out of any unappropriated money in the treasury, to defray the expense of the survey. The second section of this act contains this emphatic proviso:

“‘*Provided always, and it is hereby enacted and declared, That nothing in this act contained, or that shall be done in pursuance thereof, shall be deemed or construed to imply any obligation on the part of the United States to make, or to defray the expense of making, the road hereby authorized to be laid out, or of any part thereof.*’

“Such was the first exception he had been able to discover, and he remarked again, that it was very doubtful how far it could fairly be considered an exception, within the proper limits of the discussion. The act was certainly *sui generis*, as a piece of legislation relating to the Cumberland road; but such as it was, he had felt bound to present it as an exception to the rule for which he was contending.

“The second and only other exception which his research had enabled him to discover was a bill approved on the 2d of March, 1833, at the close of Gen. Jackson’s first term. This was a plain case of departure from the rule of charging these appropriations upon the two per cent fund, as the appropriations made in this law for continuing the construction of the road in the three States, separate from the appropriations for repairs, were direct in manner and heavy in amount. He was happy, however, to be able to destroy the force of this exception as a precedent, upon the authority of the then President himself. He spoke from personal information from that distinguished individual when he said that his approbation of that bill was an oversight, suffered in the hurry of business, at the close of a short session of Congress, when all who have been here know that a great majority of the bills of the session go to the President during the last evening. All who were here at the session of 1832–33 will remember that it was one of the most exciting periods of our history, and that an unusual number of bills, of the deepest interest, finally passed the two Houses, and reached the President within the last few hours of the session, which closed with Saturday, the second of March.

“An examination of this bill will present a further and strong apology for the oversight of the President. Instead of being the usual and ordinary appropriation bill for the Cumberland road, it is an appropriation bill of an anomalous character, coupling harbors, rivers, roads and a variety of other subjects in the same bill. Its title is a very imperfect index of its contents, and it is evidently made up of the substance of the titles of three or four originally independent bills. It is ‘An act making appropriations for carrying on certain works heretofore commenced, the improvement of harbors and rivers; and also for continu-

ing and repairing the Cumberland road, and certain territorial roads.' It embraces more than thirty separate and independent appropriations, which take from the treasury more than one million of dollars. In such a bill, and reaching the President at such a period, it was not in the least surprising to him that the absence of this qualification to the Cumberland road appropriations was not noticed.

"Still, whether the apology should be deemed sufficient or not, he was able to state the fact that this omission was not noticed, and that the bill would not have received the approbation of the then President, however important these and the other appropriations it contained, if the omission had been observed; so important did he consider the retention of the two per cent clause, as it is called, as a principle upon which the appropriations for this road rest, and a marked characteristic to distinguish them from open and unrestricted appropriations for internal improvements.

"He was aware it had been said, and would again be said, that the expenditures already made upon the road had more than consumed the two per cent fund reserved and applicable to its construction, and therefore that the clause in the present bills was wholly useless. He wished to meet this objection to the clause, as he did all other points of this argument, fairly. He was, therefore, willing to admit that he did not expect the two per cent fund of the three States would be sufficient to reimburse the treasury for all past expenses upon this work; but that did not, to him, constitute a good reason for separating this essential feature from the bill, and passing it without it. The practice commenced with the commencement of the work, to anticipate the moneys which this fund was to yield, and if those anticipations had been pushed too far, it was no reason, to his mind, why we should abandon our hold upon that portion of the fund which remains.

"All the three States yet embrace within their limits unsold lands, and consequently portions of this fund are yet to be collected from all. The amount, too, is considerable. He had been favored with an official statement from the General Land Office, brought down to the close of the third quarter of the last year,

which showed that the unsold lands in the States of Ohio, Indiana and Illinois, at that time, amounted to 26,835,234 acres. Even at the present minimum price of the public lands, the two per cent from this quantity would, if he had made no error in the calculation, yield to this fund more than \$670,000. If, as some suppose, the State of Missouri should be embraced in the estimate of future revenue to the fund, it would be more than doubled. There are 32,154,897 acres of unsold land in that State, and, at the minimum price, that quantity will pay more than \$800,000 to this fund. But when it is considered that the unsold land in all these States must become more valuable as settlements increase, and improvements in its vicinity are extended, who shall say what limit shall be fixed to this contingent fund? In any event it seemed to him a plain dictate of duty to secure whatever it is to yield to reimburse the treasury for this expensive work.

“Shall we do this, if we pass the amendment now proposed, and thus, by our own act, release the pledge for the future? What is our daily experience now as to the other States? But a few days since the Senate passed a bill to pay this fund to the State of Mississippi. Another bill is now upon its passage, or has already gone to the House of Representatives, to make the same payment to the State of Alabama. These States have come here with demands for the money, which we have not found ourselves able to resist. To Michigan and Arkansas the whole five per cent was yielded as one of the terms of their admission into the Union. Other new States will come, after these examples, and who can make himself believe that, if we strike out this clause, and thus release our hold upon the future accruing revenue to the fund from the States of Ohio, Indiana, Illinois and Missouri, those States will not come, when their road shall have been completed, and tell us, up to 1840 you held and expended this portion of our two per cent fund, but in that year you, by your own express act, refused longer to pledge it for the Cumberland road, and the money which has come into your treasury since that period is ours, upon the principles which have governed your conduct toward the other new States? Who can convince himself that our successors will be able to resist such an application from these States?

“To the unconditional opponents of this bill he was aware that this reasoning would be unavailing; nay, that his very declaration of the importance of the provision to him would add to their anxiety to press the motion, that they might force him and others who held similar opinions to vote against the whole measure. Such he knew to be the condition of the honorable mover of the amendment. He was conscientiously opposed to the bill in any shape, and its defeat is the object of his motion. This was fair and gave no ground of complaint. Any fair and open and manly opposition he had a right to practice—indeed, with his opinions, it was his duty to practice—and such was his present proposition for amendment.

“To those, however, who were the friends of this road, who desired appropriations for it, he felt that he had a right to appeal with success upon this question. To them the pledge of this fund could not be objectionable, even if they did not consider it any longer useful. It could do no harm, even if it was of no substantial service to the treasury, and they certainly would indulge those who consider it essential, so long as they ask nothing more than what is looked upon as a nugatory provision. They will not bring the fate of the bill into jeopardy rather than not discharge it from what they consider, at the worst, but harmless surplusage; and that, too, after they know that others equally friendly consider the provision proposed to be stricken out one of essential,—of vital importance.

“He must be permitted to believe, therefore, that however far he may have fallen short of producing conviction upon the minds of either the foes or the friends of the measure, as to the importance of retaining the pledge of this two per cent fund, the simple information that he and others so held it would induce every friend to the Cumberland road to vote against the proposed amendment.”

CHAPTER LXXXII.

ABOLITION PETITIONS.

At the first session of the twenty-sixth Congress petitions for the abolition of slavery were often presented to both Houses. On the 13th of February, 1840, Mr. Clay, of Kentucky, presented one from Michael H. Barton, praying for the abolition of slavery. This produced a stormy debate, in which Mr. WRIGHT took part, more on account of what was then said than because he participated in the feelings which the petition occasioned. He thus addressed the Senate :

“Mr. WRIGHT said he had never before, he believed, attempted to address the Senate when an abolition petition was under consideration. If he justly appreciated his duty, it was quite likely he should remain silent now, though he had not risen to discuss abolitionism or to protract this very desultory debate. Still, some remarks had fallen from his colleague, and from the Senator from Kentucky [Mr. Clay], which his duty to absent friends seemed to him to require him to notice.

“The honorable Senator [Mr. Clay] has taken the liberty to refer to a vote lately given in the other branch of Congress in reference to the disposition of these petitions; to allude to the fact that some of the members of the New York delegation, the political friends of Mr. W., had voted for the rule adopted in the House, and then had stated that all parties in the Legislature of the State were now expressing their decided reprehension of that vote. He should not feel at liberty to make the action of either of these legislative bodies the subject of remark upon this occasion, had he not been forced to do so by the course pursued by the honorable Senator; and he wished it to be distinctly understood that, in making the short reply he intended, he was not acting as the authorized apologist or defender

of the friends who had given the vote complained of. If the vote required apology, they would be found ready to make it for themselves. If it required defense, they were much better able, from character and talent and influence, to defend themselves than he was to defend them. They were responsible for their acts to the constituents who had sent them here, not to himself or to this body.

“Still, as the honorable Senator had referred to the vote and to the action of the State Legislature, not this year simply, but the last also, it was proper in itself, and due to those who were censured, that he should state the facts as he understood them to exist. The Senator had spoken of the expression of the Legislature of New York last year, upon this subject of the disposition of abolition petitions in Congress, as having followed a political revolution in the State, and of the form of that expression. He must remind the gentleman that the expression to which he alluded as having been made last year, was made in but one branch of the New York Legislature. The political revolution of which he spoke had not then reached the State Senate, and that body did not unite in the expression in favor of these petitioners. The House of Assembly, the popular branch of the Legislature, was then in the hands of the political friends of the Senator, and it did make a strong expression, supposed to favor the abolitionists. It did declare the Atherton resolution, so called, a denial of the right of petition. He did not now recollect the exact form of the resolutions or the substance of the expression beyond this point, but as to this he was sure he could not be mistaken. The Atherton resolutions were denounced, because it was said they were a denial of the right of petition. What disposition did the Atherton resolutions make of abolition petitions? They were to be received and immediately laid upon the table, without reading or printing, and without debate. This was the denial of the right of petition last year, according to the expressed sense of the whig branch of the New York Legislature.

“Now, certain of the democratic members of the House of Representatives from that State had voted to establish a rule of that House, pressed upon them upon the motions of prominent

whigs, by which these petitions were not to be received. In other words, they had voted for a rule which was, in fact and in terms, just what their opponents in the Legislature of their State, one year ago, declared to be the true and practical effect of the Atherton resolutions. This was what these members had done, and his object was accomplished in giving the facts. He knew not what either party in the Legislature of the present year were doing upon this subject, except that he had noticed in the public papers that some resolutions had been introduced into the popular branch of that Legislature, by a prominent federal member, censuring those who had voted for the rule lately adopted in the House of Representatives. If there had been action upon them, the account of it had not met his notice.

“His honorable colleague had discussed at some length the politics of their State, and of the various parties in it; the questions, which were democratic and which federal; which were and which were not abolition, and the like, and had pronounced his conclusions with some positiveness. In doing this, he had, as Mr. W. thought, done injustice to a political friend of his, or he would not have entered into the discussion. He understood his honorable colleague to say that the member of the popular branch of the present Legislature of their State who was, at its organization, the candidate for Speaker of the administration party in the House, had, upon the late election of a United States Senator, and when his colleague was elected, voted for a prominent abolitionist, a gentleman by the name of Gerrit Smith. If he correctly understood the remarks of his colleague, this vote was said to have been given by the gentleman alluded to upon the open *viva voce* vote for Senator in the House of which the gentleman was a member. Did his colleague so state? [Mr. Tallmadge replied, yes, that was the way I understood it.] Mr. W. said he had not made this inquiry thus minutely for the purpose of contradicting it upon his own responsibility, as he had no personal knowledge how the fact was; but he had done so for the purpose of expressing his belief that the statement was erroneous, and giving the grounds of that belief.

“He well remembered that, pending the proceedings in the Legislature of the State touching the election of a Senator, a

report sprang up in this city, and in one wing of this capitol, that all the friends of the administration in the popular branch of that Legislature had voted for this ardent abolitionist, this Gerrit Smith, as their candidate for the Senate of the United States. The rumor produced deep feeling here. He was called upon by a great number of members of Congress, from all quarters of the Union, for information as to the fact. He had none to communicate. He had received no intimation of any such action on the part of his political friends; but the mails from the north were deranged by the stormy and severe weather of the period, and he was unable to say what action had been had, or what information others might have received. He entertained the most confident belief that the report was false, and so stated to his friends, but he could not give it authorized contradiction. This report, however, necessarily led him to examine that vote with deep interest and great care, when it did reach him. The Albany Argus, a public journal to which his colleague had alluded as a leading federal paper, was his authority, and was it federal, democratic, or democratic republican, which last his colleague seemed to suppose the real name of his party, it was authority upon which he relied with a quiet confidence. The vote given, upon the election of a Senator, in both branches of the Legislature, he found in the columns of that paper in detail; the name of every member voting, and the name of the candidate voted for by each being distinctly stated. He examined the account with care, and could not say he felt much surprise when he perceived that not one single individual of any party had given his vote for the supposed formidable abolition candidate, Gerrit Smith.

“He could not, however, in justice to his own feelings, leave this matter here, and permit the inference that the mistake of his colleague was wholly without foundation. He would, therefore, relate what he had understood had taken place at some stage of the proceedings preliminary to the election of a Senator. He supposed the account had appeared in the public papers, but he had not seen it there, and related it from mere report. It was this: a law or resolution was before the Legislature, designed to prescribe the time and manner of electing a Senator. To mem-

bers of the minority of the House, other candidates, taken from the ranks of their political opponents, were more acceptable than his colleague. Some of these members proposed to make the election directly by inserting the name of the Senator in the bill or resolution, and thus declaring the election instead of prescribing the time and manner for future action. Pursuing this feeling, the names of a variety of candidates were proposed, and among them Gerrit Smith,—his abolitionism out of the question, a most bitter opponent of this administration. That name might have come from the gentleman alluded to by his colleague, but it was under such circumstances and for such objects, as he verily believed; if it came from him at all, which fact he could not assert. It was a choice among his enemies, not his voluntary preference as a politician or a citizen, as his *viva voce* vote upon the election should have been. This explanation of the error of his colleague he had given, as he had before stated, rather from rumor than from any referable authority; but he did not doubt it was the real explanation and the only one of which his statement was susceptible.

“He was now brought to the apparent object of the remarks of his colleague, and that was the point of most materiality and most delicacy, the interests of others having been disposed of. Why was the statement of his colleague made, but to show that his friends and the friends of the administration in the north are the abolitionists there? He could see no other object, and other portions of the remarks of his colleague seemed to him to have a similar object and tendency.

“In reference to all such remarks, calculated to produce personal irritation, he would take this occasion to say to his colleague that it was now something more than six years since they had taken their seats together in this body; that their public acts had been known to the Senate, if not to their constituents and the country; that it was therefore folly for them to discuss the question here, which was a democrat, which was a federalist or which was a democratic republican in politics. Their acts, not their words, must determine that point; and the Senate itself would judge, independently of their impressions, what the proper classification of each was. So also with the question of abo-

litionism. His action upon that disturbing subject was known to this body and the country. If it made him an abolitionist, it was in vain for him to reason against the conclusion. If it did not, any remonstrances and declarations from him against the charge, come from what quarter it might, was unnecessary here. So with the President of the United States. His declarations and acts and votes as to these petitions and this whole subject were perfectly known to every individual they addressed; and was it necessary for him, as the avowed personal and political friend of that officer—as he had been since he had had the honor of a seat here and still continued to be—was it necessary for him to defend the President against the charge of abolitionism? Not here! not here!

“Why, then, Mr. W. asked, were these points debated here upon such an occasion, and these charges directly made, or impliedly made, by his colleague? During the whole of their public service together hitherto, however wide might have been their political differences of opinion, it gave him sincere pleasure to state that there had not been one particle of personal unkindness between his colleague and himself. This condition of their personal relations he earnestly hoped might continue; and to that end he would now, as he had upon all former occasions, carefully abstain from all remarks calculated to excite unkind feeling. He hoped his colleague would imitate him in this, and relieve them from the necessity of disturbing the Senate by their personal or local differences. They had both had experience enough in the body to know that all such collisions were unpleasant to the members of the Senate. Should they, then, thus afflict them? For himself, nothing but a sense of self-respect could induce him to do it. When they came there together they were political friends. Those members from other States whom he had found there as political friends, and who yet remained there, with very few exceptions, were yet personal and political friends. Those whom he had found as political opponents, with exceptions still less numerous, were at this moment his respected opponents in the body. Still, he had experienced personal kindness from all, as he knew his colleague had also; and should they now strive to make all unhappy by their personal or local collisions?

He would not lead in such a course, and, if compelled to follow, it would be with reluctance and regret.

“He had never charged federalism upon his colleague, nor had he charged abolitionism upon his party, notwithstanding their course in the last Legislature. He was not in the habit of characterizing men or parties by names, as epithets. He chose to state facts and let conclusions follow. His colleague had referred, with some triumph, to a political revolution in the State. As a fact, he could state that that revolution brought into office and place a Lieutenant-Governor who was an abolitionist, as far as his responses to the abolition committee could make him one. Yet, he was not disposed, even upon that fact, to pronounce the whole party abolitionists, nor would he do so. He preferred to let acts and principles and associations determine these points, as he did, who were democrats and who were federalists. The truth and the facts were his material reliance for himself and his friends. [Mr. Tallmadge said he would take the explanation of his colleague, as he thought the variation was of no material importance. He coincided in the sentiment that this was not the proper place for political explanations between himself and colleague. His colleague, some years since, in his usual complacent way, told him that, as to their political differences, their common constituents would settle that question. They have settled it, and settled it three times over. They have pronounced their opinion of this destructive administration, and of the sub-treasury bill, which, in his haste to get it through this body, the patriotic zeal of the chairman of the Committee on Finance had impelled him to override the common courtesies of legislation. The personal relations of himself and his colleague had always been of a friendly nature, and on his part they should continue so; but he was not to be read lectures to by his colleague, and it was not necessary to remind him of their personal relations.] Mr. WRIGHT said he was aware of his trespass upon the feelings of the Senate in again throwing himself before it. He rose to reply to a single remark of his colleague, and but one; and he did that because he was convinced, without an explanation, that remark would be misunderstood and misconstrued to the prejudice as well of his colleague as himself.

“The remark to which he alluded was, that he had been wanting in courtesy in his action in relation to the independent treasury bill. If his colleague referred to courtesy to the Senate, as toward those who were members of the body when that bill was acted upon, he had to say to him that those were points he could not discuss with him; that the Senate, as it was at the time, and those who were Senators at the time, were his judges as to the propriety or impropriety of his course upon the passage of the bill in question. If any of those gentlemen, who were his coactors and his witnesses, had charges to make against him for the manner in which his duties were discharged in relation to that measure, it would be his duty, as it would be his pleasure, to listen to them, and to admit their justice or show their injustice, as the facts might warrant; but by others he could not be called to account for his courtesy, or want of it, to them.

“If his colleague intended to charge want of courtesy toward himself, as he, Mr. W., was informed that charge had been made by friends of his colleague at the seat of government of their State, it was proper that the Senate, and their common constituents, should understand upon what foundation such a charge must rest, and upon what facts it must be sustained, if sustained at all. To make that explanation was his present object.

“The bill in question finally passed the Senate on Thursday of the week, he believed the twenty-third day of January last. The order for engrossment was made on the Friday previous. By the mail which arrived from the north on the evening of Saturday, the twenty-fifth of January, he received from his colleague a letter dated at the Astor House, in the city of New York, on the twenty-third day of the month, the very day on which the bill finally passed the Senate. This letter gave him the first information of the ill-health of his colleague, and of his having been detained by sickness when on his way to take his seat here. The letter contained a request from his colleague to himself to have the final question upon this bill postponed, until he could be in his place. In a few moments after the letter reached his hands, he learned that the same conveyance which brought the letter to him brought also his colleague to the city.

“These are the facts. He had spoken of dates from memory,

but believed he was not mistaken. And under this state of facts he was well informed that a friend of his colleague had reported at Albany that this request had been made from his colleague to him, and that he had refused the delay asked for. He would not suspect his colleague of having been instrumental in giving existence or circulation to the falsehood, but, without this explanation, those who had heard the statement and should see the remark of his colleague to which he was now replying, would be likely to connect the present charge of want of courtesy with this story of the letter, and to all such his silence under the charge would be considered as an admission of its truth and of its applicability to the report referred to. To prevent that consequence to his colleague or himself, was his present object, and having accomplished that, he had nothing more to say."

CHAPTER LXXXIII.

THE NEW YORK INDIAN TREATY.

The New York Indians adhered to the Crown during the Revolutionary War. In 1784 and 1789, all, except the Mohawks, treated with our government, ceding to it all their lands west of the State of New York, and having confirmed to them all lying east of the specified line. The Mohawks, with Brandt, whose sister had been the wife of Sir William Johnson, retired and settled at the west end of Lake Ontario, in Canada. Massachusetts originally claimed all the lands west of that State to the Pacific under her charter. New York claimed all within her present boundaries and to the far west, and voluntarily ceded to the old confederacy whatever belonged to her west of its limits. Both conceded that the Indians had possessory rights. It was finally agreed between these States that New York should have the political or government jurisdiction, and Massachusetts the right of soil in the western part of the State, with the exclusive right to acquire the Indian title. The United States claimed the right of prohibiting sales by the Indians without their consent, and that all purchases should be by a regular treaty made by their lawful representatives and consented to by the Senate of the United States; all of which were assented to by both States. This pre-emptive right Massachusetts conveyed to Robert Morris, reserving to herself the right to be represented when the Indian title should be acquired. Morris conveyed his rights to individuals called the "Ogden Land Company." The Indians had conveyed all their rights to the pre-emptors except four reservations—the Tonawanda, Buf-

falo Creek, Cattaraugus and Allegany—and these they sought to acquire.

In the fall of 1837, unsolicited, President Van Buren requested the author to act as commissioner in negotiations for the sale of these reservations, and he attended and subsequently formed a treaty with the Indians. Gen. Henry A. S. Dearborn represented Massachusetts during a portion of the negotiation, and J. Trowbridge, of Buffalo, during the residue, ceding these reservations, and which had been amended and the amendments duly assented to. This treaty was under consideration, in executive session, on the 25th of March, 1840, when Mr. WRIGHT addressed the following remarks to the Senate, which he carefully wrote out with his own hand for publication in the *Congressional Globe* :

“Mr. WRIGHT said he must precede the direct discussion of the treaty by a few preliminary remarks, calculated to show the grounds upon which he acted, and the considerations which had governed him, in the examination of the complicated case presented in the book of printed documents which had been laid before the Senate.

“And his first remark of this character was, that, if he knew himself, his principal motive, in urging the final consummation of this treaty upon the Senate, was his deep conviction of the benefits, present and future, which would be conferred upon the sinking bands of Indians, who were parties to it from its final confirmation. He was well aware that, in making this declaration, he was subjecting himself to double suspicion. These Indians were within his own State, and it would be assumed that the whites were anxious for their final removal out of their way. Not so, in fact, to an extent which would warrant a removal in any degree unjust. The bands had become too small, too much worn away by that contact with the whites which is destruction to the Indian, to leave any fear, from their remaining, upon the minds of their white neighbors. The territory they retain, too, had become too small to excite an extensive cupidity for its possession, or any strong hope of profit from its purchase by the white

man. Then the treaty contained no provision for the forcible removal of any of these Indians, and therefore considerations of this character could have but a qualified influence in the matter.

“The real truth was, and he owed it to his constituents to state it, that a just and rational sympathy for this perishing remnant of a once mighty savage confederacy prevailed much more strongly in favor of the treaty than any motives of individual or associated interest. True it was that all the bands were in the midst of a dense population, and that one portion of one of them was upon the border of a large and growing city, imbibing its vices with the readiness with which the dry earth absorbs the rain which falls upon it; and yet all that dense population, even that incommoded city, would be the last to urge a removal of these Indians against their interests, and the first to censure him if he should urge the proclamation of a treaty, for that purpose, which was not palpably beneficial to the suffering red men.

“He was liable to suspicion, too, as favoring the interests of the company who held the pre-emptive right to the lands of the Seneca band of these Indians, when they shall surrender the possession. He believed the members of this company were mostly, and perhaps entirely, residents of his State; and hence it might be believed that his action was influenced by their persuasion, or influence, or interest. It would become his duty, in the course of the discussion, to speak more particularly of this company and of their rights; but it was enough now to say, that but one single member of it, to his knowledge, had ever mentioned the subject of this treaty to him; that this was a call within the last two or three days, and since his opinions had been formed, his course marked out, and his preparations made for this discussion; that the individual was Thomas L. Ogden, Esq., of the city of New York, a gentleman of the legal profession, of advanced age and great eminence, and whose call was made upon him as a known friend of the treaty, and not to persuade him to become so.

“If, then, he should hereafter be able to show that the treaty was beneficial to the Indians, he hoped he should be credited in the declaration that his anxiety for its final confirmation was predicated upon their interests, rather than upon the interested

wishes of his constituents, or the selfish desires of the pre-emption company.

“His next preliminary remark was, that, in discussing the merits of this treaty, he should pass entirely over that mass of evidence which had been collected against it by those mistaken philanthropists—mistaken in his judgment—who opposed its confirmation upon the ground that they were, at some future day, to civilize these Indians in their present locations. To the purity of the motives of these enthusiasts he yielded the fullest belief; but in the reality of their hopes he had long since lost all confidence. The idea of civilizing the Indians of our continent had once been a rich source of hope to him; but practical observation and experience had compelled him to abandon the delusion. Many worthy and good men yet retained their confidence in the practicability of the undertaking; but he could only say to them that, when he should see the deer of the forest the domestic animal of the farm, and the partridge of the woods the familiar fowl of the barn-yard, then, and not till then, should he again hope for the practical civilization of the Indian.

“A further remark was, that he should enter upon the discussion with a full and perfect understanding, assented to upon all sides of the Senate, that the character and standing and credit of the commissioner who negotiated the treaty on the part of the United States remained unimpeached and unimpeachable, and that his statements of fact were to be implicitly relied upon in all matters touching the execution of the treaty by the Indians. [To this position the honorable chairman of the committee and all the dissenting members assented.] Another rule for the discussion on his part would be, that the commissioner on the part of the State of Massachusetts, Gen. H. A. S. Dearborn, was present at all the transactions, the validity of which are now in dispute, and is a respectable, credible and disinterested witness to every fact to which he gives testimony.

“With these preliminary remarks, he would proceed to the discussion of the treaty and the facts upon which it rested.

“A question had been raised as to the right of the New York Indians to their ‘Green Bay lands,’ so called; but inasmuch as the history of that matter had been fully gone into by the honor-

able chairman of the committee [Mr. Sevier], and by his honorable friend from Georgia [Mr. Lumpkin], he would not consume time with it here. The treaty between the United States and the Menomonee tribe of Indians, of the 8th of February, 1831, by which the latter ceded to the United States, for the benefit of, and 'as a home to, the several tribes of New York Indians,' 500,000 acres of land in the now Wisconsin territory, and the former paid in money for that cession the sum of \$20,000, was sufficient for his purpose. It established the right of the New York Indians to that land, independently of any action of their own; though certain of the bands—the Senecas not included—had long previously purchased of the Menomonees, for the benefit of the Six Nations, a much larger tract of country, and had paid some \$12,000 in cash as purchase-money therefor. Yet disputes arose between them and the Menomonees as to the authority of the persons with whom they contracted either to sell the lands or to receive the pay therefor; and, the proceeding having taken place in pursuance of a consent previously obtained from the President of the United States [Mr. Monroe] by the New York Indians, the treaty of 1831 was negotiated by the United States as a compromise between the Six Nations of New York and the Menomonee tribe. Hence the estate of the New York Indians in their Green Bay lands.

“He was aware that the original cession from the Menomonees required that the New York Indians should remove to the lands, and reside thereon as their home, within three years from the date of the treaty; but the cession to the United States was positive and perfect; the condition of forfeiture a forfeiture to the United States and not to the Menomonees; and hence the whole title was in the United States and the New York Indians. This being the fact, the United States had, since the treaty of cession from the Menomonees and before the expiration of the three years, entered into a further treaty with the New York Indians, by which they were released from the condition of removal to the lands within three years, and the time of their removal was to be fixed by the President. That time has never been fixed, and therefore their right remains precisely what it

was after the execution of the treaty of 1831 with the Menomonees.

“It is now said that this right depends upon the mere indulgence of the President, and that the known determination of these Indians not to remove to Green Bay places it in his power to terminate the right at pleasure, by fixing a day for their removal to these lands. The soundness of this position, in technical law, is freely admitted; and does anybody fear a sacrifice of the interests of the New York Indians from the admission? Had such been the policy of this government as to Indian claims and Indian title? If physical power and technical law were the rules by which these people were to be dealt with, they had no rights. We had never recognized in them any other estate in lands than that of simple occupancy, a mere possessory title; and if we were to canvass that right by the rules of the courts, the Indian might as well abandon his claim. His occupancy would be too limited, or too questionable, to give him a resting place, and might would make right on the side of the whites when such rules came to govern the questions. Such, however, was not, and was not to be, our Indian policy; and no technical action of the President was to forfeit the right of the Indians to their Green Bay lands. The treaty, therefore, upon this point, required no more support than was given to it by former compacts of the same character.

“What, then, was this treaty, in its essential provisions, so far as the rights of the United States and of these Indians were concerned? The entire instrument was too long to trouble the Senate with, while a very short statement would give the points upon which the discussion must rest.

“Article 1 cedes to the United States the lands of the New York Indians, at Green Bay, not otherwise disposed of, computed at 435,000 acres.

“Article 2 secures to these Indians a country in the Indian territory, west of the Mississippi, equal to 320 acres of land for each soul, the whole computed at 1,824,000 acres.

“Article 15 stipulates to pay to the Indians, from the treasury of the United States, \$400,000, ‘to aid them in removing to their new homes and supporting themselves the first year after their

removal; to encourage and assist them in education, and being taught to cultivate their lands; in erecting mills and other necessary houses; in purchasing domestic animals and farming utensils, and acquiring a knowledge of mechanic arts.'

"These were the principal provisions of the treaty, in a property sense, as affecting the pecuniary interests of the government or the Indians. Some other articles there were stipulating for the payment of small sums to some of the smaller bands, but the amount in no single case exceeds \$5,000, and the aggregate amount is but about \$20,000.

"As connected with this branch of the subject, however, are two separate treaties: the one between the Seneca band of Indians, the pre-emption company and the State of Massachusetts, and the other between the Tuscarora band and the same parties. The first conveys to the pre-emption company all the remaining lands of the Senecas within the State of New York, consisting of four reservations, as follows:

| | Acres. |
|---|----------------|
| " The Buffalo Creek reservation, containing | 49,920 |
| " The Cattaraugus reservation..... | 21,680 |
| " The Allegany reservation..... | 30,409 |
| " The Tonawanda reservation | 12,800 |
| " In all..... | <u>114,809</u> |

"As the consideration money for the purchase, the pre-emption company stipulate to pay to the Seneca Indians the sum of \$202,000 in money; and the tenth article of the treaty with the United States, now under consideration, stipulates that the United States will receive, hold and invest for these Indians \$100,000 of this money, and will pay them the annual interest thereon forever; and that the improvements upon the reservations, being the property of individual Indians, shall be appraised, and the \$102,000 be paid to the owners thereof in just proportions.

"The treaty with the Tuscarora band cedes to the pre-emption company their small reservation of 1,920 acres, called 'the Tuscarora reservation,' or 'Seneca grant,' for which the pre-emption company stipulate to pay the sum of \$9,600 in money.

"The title of the respective bands to the lands last mentioned was the ordinary Indian title of possession and occupancy, the

company, as will hereafter appear, having long since purchased the pre-emption right from the State of Massachusetts.

“By the fourteenth article of the treaty with the United States, the Tuscarora band cede to the United States 5,000 acres of land which they own in fee, situate in Niagara county, in the State of New York, to be held for them in trust, and to be sold at the value as appraised and the money to be paid to them, so far as the value of the improvements are concerned, and invested for their benefit, and the annual interest thereon paid to them forever, so far as the value of the soil, separate from the improvements, shall be realized; the expenses of survey, appraisement and sale being first deducted.

“This was a concise view of the pecuniary stipulations of the three treaties, and upon them the discussion had hitherto rested, and must rest, as he had heard of no complaints from any quarter as to the other stipulations with any portion of these Indians.

“It would now be proper to examine the condition of the question before the Senate, in order that a clear understanding of the case presented may be had. What, then, is the real question before the body, and how has it come here?

“We find the first printed paper, in the large file upon our tables, to be a message from the President of the United States, transmitting this treaty to the Senate, with the volume of papers which accompany it, and expressing his clear convictions upon the following points:

“1. That the removal of the Indians is essential to their prosperity and welfare, and even to their preservation as a people.

“2. That the true interests of the sections of country where they are require that they should be removed.

“3. That the terms of the treaty are liberal toward the Indians in every respect.

“Yet it is not proclaimed by the President, but returned to the Senate for a further expression on its part. And what expression is sought? Whether, in its judgment, this liberal treaty has been assented to by the Indians, in conformity with the rule established by the Senate for giving that assent. This is the single point presented, and upon which an expression of the Senate is desired.

“How have doubts arisen upon this point? Certainly from the peculiar action of the Senate upon the treaty at some former stage of that action, or from the peculiarity of the assent which the Indians have in fact given, or from both. An examination of the history of the treaty will show where rest the difficulties.

“The original treaty, which forms the basis of this discussion, was concluded between the New York Indians and the United States on the 15th day of January, 1838. About the due execution of that treaty by the Indians there has not been, and is not, any question. It was presented to all the bands, convened in a common council, and was assented to by all, to the satisfaction of the Senate.

“That treaty, thus made on the part of these bands, was subsequently, and during the annual session of the Senate of 1837-38, transmitted to this body for its ratification by the President of the United States, in the usual form of transacting such business. It was referred to the proper committee of the Senate for examination and advisement. The committee found many of its provisions objectionable to them, from being too vague, and presenting too uncertain a responsibility on the part of this government. The removal of the Indians, their subsistence for one year, the erection of mills, school-houses, blacksmith shops, churches, and many other expenditures, were stipulated, without any amount stated as the maximum of expenditure to which the treasury of the United States might be subjected. The committee, as he understood at the time, and now believes, referred these matters of ordinary expenditure to the head of the Indian Bureau, for an estimate of the amount of money required to meet them, and framed their fifteenth article of the amended treaty upon the estimate returned from that officer; thus giving, for the objects enumerated in that article, the full amount of that estimate, but limiting the amount which could be called for to the \$400,000 therein stipulated to be paid, that being the amount estimated.

“There were other articles in the original treaty, stipulating for the payment of gratuities to individual Indians by name, providing funds for a university, and the like, which the committee wholly rejected, without proposing any equivalent.

“Thus an amended treaty was formed by the Committee on

Indian Affairs of the Senate, and reported to the body for its acceptance, which met with its unanimous concurrence. It was ratified on the 11th of June, 1838, and returned to the Indians for their assent, with a special resolution, which has laid the foundation for the present controversy.

“It was proper here to remark that the resolutions of the Senate of the 11th of June, 1838, were a complete ratification of the amended treaty on its part; that the instrument, in all its parts, was thus made perfect, so far as the constitutional action of this body, in the formation of a treaty, was concerned, and that the only thing which remained to be done was the giving of the requisite assent, by the several bands of Indians, according to the resolutions for that purpose which the Senate adopted. That resolution was made part of the proceedings of ratification on the part of the Senate, was, upon its face, to be adopted by a vote of two-thirds of the Senators present, and was, therefore, if met by the Indians with the assent required, the final close of our action on the subject of the treaty in our executive character. The resolution was in the following words:

“ ‘ *Provided always, and be it further resolved (two-thirds of the Senate present concurring),* That the treaty shall have no force or effect whatever, as it relates to any of said tribes, nations or bands of New York Indians, nor shall it be understood that the Senate have assented to any of the contracts connected with it, until the same, with the amendments herein proposed, is submitted, and fully and fairly explained, by a commissioner of the United States, to each of said tribes or bands, separately assembled in council, and they have given their free and voluntary assent thereto; and if one or more of said tribes or bands, when consulted as aforesaid, shall freely assent to said treaty as amended, and to their contract connected therewith, it shall be binding and obligatory upon those so assenting, although other or others of said bands or tribes may not give their assent, and thereby cease to be parties thereto. *Provided, further,* That if any portion or part of said Indians do not emigrate, the President shall retain a proper proportion of said sum of \$400,000, and shall also deduct, from the quantity of land allowed west of the Mississippi, such number of acres as will leave to each emigrant 320 acres only.’

“ With its full ratification and this conditional resolution, the Senate returned the treaty to the President as amended, for him, as the executive of the nation, to carry its orders into effect, but

most clearly without anything further on its part to be done to make the whole a valid and operative treaty.

“The President, during the vacation of Congress, caused the treaty, as amended by the Senate, to be again submitted to the Indians for their assents, according to the resolution of the Senate above given.

“On the 21st of January, 1839, the President, by a message, returned the amended treaty to the Senate. For what? For ratification again by this body? No; but for this body to say whether the assents given by the various bands of Indians was in conformity with our resolution of the 11th of June, 1838, and was sufficient to authorize him to proclaim the treaty. As to all the bands, except the Senecas, the President expresses the opinion, in his then message, that the assents had been ‘entirely satisfactory.’ As to the assent of the Senecas he seems not to have been satisfied, and for that reason to have returned the treaty and papers to the Senate.

“The whole matter was then again referred to the Committee on Indian Affairs of this body, and underwent before them a laborious investigation, including the examination of numerous witnesses. The result was an inability, on the part of the committee, then consisting of four members, to come to any conclusion, or to recommend any specific course of action to the Senate.

“Under these circumstances, the subject first came up for the consideration and action of the body on Saturday, the 2d day of March, 1839, at that time universally supposed to be the last legislative day of the session. It was immediately apparent, as all who were then here will recollect, that no decisive action could take place, without protracted debate, as the documents were voluminous, the statements complicated and contradictory, and the opinions of Senators, as well as of the different members of the committee, strongly conflicting.

“The public appropriation bills, also, with a large share of the other legislation of the session, remained in an unfinished state, and it was impossible for the Senate to devote its time to a subject of this character at that period of a short session.

“To pass the subject over, therefore, and not permit the treaty and the whole negotiation to drop, for want of consideration and

action, the Senate passed its resolution of the 2d of March, 1839. That resolution was offered by his honorable colleague, a friend to the treaty, and after a very little conversation and some slight verbal modifications, suggested by others and promptly accepted by the mover, was adopted, as his present impression was, by two-thirds of the Senators present. It was in the following words:

“ ‘ *Resolved*, That whenever the President of the United States shall be satisfied that the assent of the Seneca tribe of Indians has been given to the amended treaty of June 11th, 1838, with the New York Indians, according to the true intent and meaning of the resolution of the Senate of the 11th of June, 1838, the Senate recommend that the President make proclamation of said treaty, and carry the same into effect.’ ”

“ With this resolution the treaty was remanded to the President for the further action of the executive department. Inasmuch as the President had returned the amended treaty to the Senate for an expression of its opinion as to the sufficiency of the assent of the Seneca band, and as the resolution above given did not express an affirmative opinion upon that point, that officer very naturally supposed that further efforts on his part to obtain the assent of this band were contemplated. During the vacation of 1839, therefore, he sent the Secretary of War, in person, to hold a council with this band, and again lay the amended treaty before their chiefs in council, for their more formal assents.

“ The council was held on the 13th and 14th days of August, 1839, and ‘ talks ’ were interchanged between the Secretary, the agent of the New York Indians, and the chiefs and principal men, not of the Seneca band merely, but of several of the other bands. These ‘ talks,’ on the part of the Indians, were principally strong recriminations between the friends and the opponents of the treaty, and resulted in nothing decisive, either in favor of or against the measure, as applicable to the Seneca band, or to any other portion of the New York Indians. A full report of the proceedings of this council is found with the printed documents before the Senate ; and is all the evidence of any efforts on the part of the executive to obtain the farther assent of any portion of the Indians to the treaty, after the passage of the resolution of the Senate of the 2d March, 1839.

“Under this state of facts, the amended treaty, with a mass of documents in favor of and against it, was returned to the Senate by the President, during our present session, accompanied by his message of the fifteenth of January, before referred to.

“All the papers have been again referred to the Committee on Indian Affairs of this body, and, after full consideration, the committee unanimously report that the state of facts has not been changed, so far as the action of the Senate is concerned, since the treaty was last submitted to us ; that the question now is, as it was in 1839, when the amended treaty was before the Senate, upon the submission of the President, with his message of the twenty-first of January of that year. Have the Seneca band of Indians given their assent to this amended treaty, in conformity with the spirit and intent of the Senate’s resolution of ratification of the 11th of June, 1838 ?

“This is the simple question for the Senate to decide, and this long history shows in what manner, and under what circumstances, it has come before us.

“Before proceeding to discuss this question, justice to the President requires a few words in explanation of his course. It has been already more than intimated that his reference of this question to the Senate is improper ; that the point was one for him to decide, as his action alone is called for to render the treaty perfect and operative. Differing with the President, as he did, in reference to the sufficiency of the assent of the Senecas, within the fair intent and meaning of the resolution of the Senate of the 11th of June, 1838, yet his convictions were clear that that officer had discharged his duty most properly in again referring the question of doubt to the decision of the Senate. Where was the doubt, and how had it arisen ? Out of the acts of the Indians, by way of assent or dissent ? No ; but out of what should be considered the true construction of the resolution of the Senate, under which that assent was to be made. The President tells us he thinks we intended that the chiefs should assent ‘*in council*,’ and he says, ‘*no advance toward obtaining the assent of the Seneca tribe to the amended treaty, IN COUNCIL, was made, nor can the assent of a majority of them, in council, be now obtained.*’ This language refers expressly

to the efforts made by the President, through the Secretary of War, after the passage of the resolution of the Senate of the 2d of March, 1839; and, while it shows the construction which he was inclined to put upon the resolution of ratification of the 11th of June, 1838, proves also that he supposed the resolution of the 2d of March, 1839, contemplated further measures on his part to obtain the assent of this band. Still he was not confident, as his message abundantly shows, that his construction of the resolution of ratification was that which the Senate intended; and hence his reference again of the whole matter to this body, that we might put our own construction upon our own act. A different course on his part would necessarily have been a final rejection of the treaty, inasmuch as there is no pretense that a majority of the Seneca chiefs assented '*in council*.' So long as there was doubt, therefore, it was his imperative duty to make the reference he has made, and to leave it to this body to say what it intended, and whether, from all the facts in the case, which he has most properly laid before us, the spirit and intent of our resolution has been complied with.

"This brought him to the real question presented for discussion; and tedious as he had been compelled to be in his manner of reaching it, he hoped he had succeeded in so far clearing the ground as to render the position in which he now stood perfectly perceptible. Had, then, the New York Indians—and especially the Seneca band—given their assent to the amended treaty, according to the spirit and intent of the resolutions of the Senate of the 11th of June, 1838, by which the Senate ratified that treaty on its part and tendered it to these Indians for their assent? This was the question. If they had, the matter was at an end. The contract had received the sanction of both the contracting parties, and it was in the power of neither to annul it without the assent of the other. If they had not, it was no treaty as to the bands not assenting, and nothing which the Senate could do would make it valid as to them. The question was one of fact. The evidence was all before us and we were the jury by which that fact was to be found, and the consequence, whatever should be our verdict, would necessarily follow.

"What, then, was the fact? The resolution of the Senate con-

tained two prerequisites to the consummation of the treaty by the Indians :

“1. That it, with the amendments of the Senate, should be submitted and fully and fairly explained, by a commissioner of the United States, to each of said tribes or bands separately assembled *in council*.

“2. That each of the said tribes or bands shall have given their free and voluntary assent to the treaty as amended.

“It is admitted on all hands that the first of these prerequisites has been fully and fairly and honestly complied with; that the commissioner of the United States has submitted the amended treaty to each of the tribes or bands separately assembled in council, and has there fully and fairly explained the same to them, according to the terms and spirit and intent of our resolution. Here, therefore, he felt at liberty to dismiss that branch of the discussion.

“It only remains to determine whether the Indians have given their free and voluntary assent to the amended treaty.

“Here, again, the ground is narrowed down to the Seneca band, as all admit—the President in his message of 1839, and the Committee on Indian Affairs in their reports at the last and present sessions of the Senate—that the assent of all the other bands has been satisfactorily given.

“The majority of the committee now report that the Seneca band have not so assented, and their honorable chairman has made a most able and forcible argument to sustain that report. He did not flatter himself that he could so well deserve the attention of the Senate, or that he could discuss the question so clearly and forcibly, as he could not pretend to have made himself so thoroughly acquainted with the volume of documents to be examined. Yet he would try to maintain the opposite side of the argument, and to trespass as lightly as possible upon the patience and attention which might be extended toward him.

“To establish the number of chiefs of the Seneca nation entitled to be consulted, and authorized to act in making treaties, was first necessary. It would appear singular, to those who had not examined these papers, that this should be a question of dispute even among, not the Indians simply, but

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among their admitted chiefs; and nothing could more forcibly demonstrate the perishing state of these unfortunate remnants of the Indian race of the north than this single fact. They have lost the number, and are ignorant of the persons of those who are entitled to exercise the supreme power of their nation. Yet he felt authorized to assume that the real number of chiefs, or in any event the highest number which the papers would authorize us to assume, was eighty-one. This was the number assumed by the President, by the head of the Indian Bureau, by the committee, and by the honorable chairman in his argument; and this was the number he should assume as the proper one to test the execution of the treaty.

“It was assumed that the assent of a majority of the chiefs was requisite to constitute a valid execution of the treaty on the part of the nation, and, of course, that the signatures of forty-one of the eighty-one chiefs was the least number which could constitute an assent. Without admitting that the action of a majority of all these eighty-one chiefs was requisite to the formation of a valid treaty, or even that it was necessary or proper to call for the action of a majority of all the chiefs of all grades for such a purpose, he should argue the question upon the hypothesis that the concurrence of a majority of the whole was necessary in this case; and he should do so, because he felt entire confidence that even under that rule the Senate would be able to decide that the assent of the Seneca band to the amended treaty had been obtained.

“To those, however, who, with the honorable chairman, had made up their minds that the signatures of this majority of the chiefs must have been given in ‘council,’ and that any assent of a chief given elsewhere, however freely and fairly, is to be treated as a nullity, he had no argument to make. There was no pretense that a majority of the chiefs signed the amended treaty ‘in council,’ and if that was to be held as a prerequisite to a valid execution, the assent of the Senecas had not been obtained. He did not so read or so construe the resolution of the Senate of the 11th of June, 1838. He had before divided the resolution according to his understanding of its meaning. The amended treaty was to be ‘submitted, and fully and fairly

explained, by a commissioner of the United States, to each of said tribes or bands, separately assembled in council.' This, it is admitted on all hands, was done with all the bands, and as well with the Senecas as the others. Then each tribe or band was to give 'their free and voluntary assent thereto,' to render the amended treaty valid as to it.

"Has the Seneca band performed this condition on its part? Have this tribe, through a majority of their chiefs, acting in or out of council, 'given their free and voluntary assent' to the amended treaty?

"He was happy to observe, from the argument of the honorable chairman, that there would be no substantial difference between them as to the facts connected with the assents of the Seneca chiefs, in the manner in which those assents had been given, and that the differences were as to the conclusions to be drawn from admitted facts, and as to the fairness, good faith and validity of the conceded acts of the chiefs.

"This would enable him to state the facts very concisely, and relieve him from the labor of reading tedious extracts from the reports of the commissioner, and the other papers.

"It is, then, conceded that sixteen of the chiefs signed the amended treaty 'in council.'

"The commissioner states that subsequently thirteen other chiefs affixed their signatures at his room, in the presence of Gen. H. A. S. Dearborn, the agent appointed by the State of Massachusetts to attend the negotiations with the Seneca and Tuscarora Indians, four of which thirteen signatures were affixed by attorneys of the chiefs duly appointed and empowered to perform the act, and the remaining nine by the chiefs in person. The commissioner adds that the signatures of two other chiefs, who were too unwell to attend in council, were taken at the rooms of the chiefs, also in the presence of the Massachusetts agent; that all the fifteen chiefs who thus signed out of council, were persons who well understood the subject, and that all the signatures 'were freely and voluntarily given;' that the four who signed by attorney were well known as chiefs friendly to emigration — were persons who signed the original treaty; that three of the powers of attorney were properly acknowledged before a

judge of the county, and the fourth executed in his own presence, before the amended treaty was submitted for signatures in council; and that he had no doubt that all the powers were fairly obtained.

“Here is shown the assent of thirty-one of the eighty-one chiefs given, sixteen in and fifteen out of council; and these were all the signatures obtained by the commissioner from chiefs of the Senecas during his first visit to obtain the assent of the several bands to the amended treaty.

“The commissioner states, in his report to the head of the Indian Bureau, that he directed the local Indian agent to keep as accurate an account as was possible of the number of chiefs attending in council from day to day, and also of the entire number of chiefs who appeared in council at any time during the negotiations, inasmuch as chiefs and warriors attended in council together, and sat together, as did also individuals of the other bands, so that it was not in his power to tell which were Seneca chiefs, any farther than the prosecution of his duties made them known to him — that the agent reported to him that not more than sixty-one chiefs of the Senecas were present in council at any one time; and he then raises the question for the decision of the Commissioner of Indian Affairs, whether the thirty-one assents obtained, being a majority of sixty-one, the whole number of chiefs present in council at any one time, the amended treaty might not be considered as sufficiently assented to on the part of the Senecas. Upon this ground only did the commissioner intimate that the assent of this band could be considered as sufficiently given.

“The next fact, which seems to be material here, is given by the commissioner in the following words:

“ ‘ Since I commenced this report, I have received, by mail, the written assent of five persons known by me to be recognized by the nation as chiefs. They all signed the treaty last winter. These appear to have been proved and acknowledged before Hezekiah Salisbury, a commissioner of deeds in the county of Erie, in the State of New York. He is certified to be duly commissioned as such officer by the clerk of the county. The persons who have subscribed their names as witnesses are known to me to be respectable. I have no doubt these assents were fairly given. Added to those taken in my presence, they make thirty-six in all, and are probably a majority of the

whole number who attended during the council. I observe in each of these papers is incorporated a power to you and to me to add their respective names to the assent which I now hand you. Whether these powers should be exercised or not, you can best judge.'

"This is an extract from the report of the commissioner to the head of the Indian Bureau, made at Washington under date of the 25th of October, 1838; and it presents the further question, whether if the thirty-one signatures, being a majority of the number of chiefs who attended council at any one time, should not be considered a sufficient assent, the thirty-six, being a majority of the whole number who appeared in council at any time, would not be so considered?

"He must be permitted here to remark that his friend, the honorable chairman, criticised these suggestions of the commissioner with what appeared to him to be undue severity, when he said that the commissioner appeared to have returned to Washington for the grave purpose of submitting to the War department the question whether thirty-one, or thirty-six, were a majority of eighty-one. The suggestions were such as he had stated, and they seemed to have been very properly and very sensibly made. If a vote had been taken in council, and a majority of the chiefs present had approved of the amended treaty, and then signed it, the very ground upon which the honorable chairman rests his argument would have made that a valid and satisfactory assent 'in council.' Was there, then, anything very absurd or censurable in the inquiry of the commissioner, whether that same assent, given partly in council and partly out of it, was satisfactory; and if not, whether the assent of a majority of all the chiefs who at any time appeared in the council would be sufficient? He thought not.

"Upon the facts here presented, the Commissioner of Indian Affairs made his report to the Secretary of War, under date of the 29th of October, 1838, strongly questioning the sufficiency of the assent, as to the Seneca band, and, under date of the thirtieth of the same month, he writes to the commissioner as follows:

" 'Your report and the treaty with the New York Indians, assented to as amended in the Senate of the United States, have been submitted to the Secretary of War. He is of opinion that the consent of a majority of all

the Seneca chiefs must be obtained, but that, as you have heretofore met the requirement of the Senate by full explanation to them in council, you may proceed to the Seneca reservation, and there obtain the assent of such Indians as have not heretofore given it.'

"Thus instructed, the commissioner repaired again to the Seneca reservation to perform the additional duties assigned to him. Under date of the 11th January, 1839, at Washington, he thus reports his doings to the head of the Indian Bureau.

" 'On the receipt of those instructions I repaired to Buffalo, New York, for the purpose of carrying them into effect. On my arrival there, I was joined by Gen. H. A. S. Dearborn, the superintendent appointed by the Governor of Massachusetts, who continued with me until the close of my visit there. He was present and witnessed every signature to the assent, except one, which was taken while he was confined to his room by indisposition. Soon after my arrival at Buffalo, I directed the United States sub-agent, residing there, to give public notice to the Seneca chiefs that I was present and authorized to receive the signatures of such of their chiefs as desired to give them, and that the superintendent from Massachusetts was also present to discharge the duty assigned him by the authorities of his State. After this notice, *ten additional names were received to the Seneca assent, making in all forty-one.* Seven of this ten had previously signed separate assents, containing powers of attorney to execute such further papers as might be necessary to give validity to their assents. These papers were all proved and acknowledged according to the usual forms under the laws of New York. Five of this number personally came before me and signed the assent attached to the treaty. The other two signed by attorney. The reasons why they did not appear and sign in person are stated in two affidavits which I hand you, marked No. 1 and No. 2. From the character of the affidavits, and information verbally communicated to me by several respectable chiefs, I have no doubt that these affidavits are strictly true.'

"This completed the signatures, in fact, of forty-one out of the eighty one chiefs of this band, all but two of whom signed in person; and the two who signed by attorney, account for their doing so as is seen above. In addition to these, one chief, James Shongo, signed his assent to a printed copy of the amended treaty before the engrossed copy was laid before the council for signatures, but did not repeat it to the written copy. Another chief, Kenjuquide, gave his assent by attorney, after the amended treaty was returned to the Commissioner of Indian Affairs, as is seen by the note to his report to the Secretary of War of the 15th of

January, 1839. Thus, in the manner stated, the assents of forty-three of the eighty-one Seneca chiefs were obtained.

“Still, it is contended that the amended treaty has not been assented to on the part of this band, and is no treaty as to them, and upon what grounds ?

“*First.* That the assents should have been given ‘in council,’ and that those not so given are not to be regarded.

“He had already given his interpretation of the resolution of ratification of the Senate of the 11th of June, 1838, and had but two other remarks to add upon this point.

“He would refer the Senate to page 285 of the printed documents to show, upon the authority of two members of the body, that it was not the sense of the Senate itself, at the time of the passage of the resolution of the 2d of March, 1839, that these signatures must be given ‘in council,’ as it appeared from the communications of these two Senators that an amendment to that effect was moved to that resolution, proposing to add the words ‘*in open council,*’ and that upon a vote the amendment was not adopted. He was aware that this proceeding was had in committee, that the vote was taken by a count, and not by ayes and noes, and that nothing in relation to it appeared upon the journal. He was also informed that the recollections of all the Senators who were present did not agree as to the manner in which the amendment was disposed of, some believing that it was withdrawn without a vote. He could merely say that his recollection of the offer of such an amendment was very confident, and his impressions as to the disposition of it agreed with the printed statements, made by the two honorable Senators, to which he had referred.

“His other remark was, that it was competent for the Senate, if it believed that the assent of a majority of the Seneca chiefs had been fairly, freely and properly given, to declare such assent satisfactory, though not given in the form and manner directed or intended by its resolution of ratification of the 11th of June, 1838. It was upon this broad ground that he principally rested his argument, and his support of the treaty as to the Seneca band. Without discussing the question whether it was the intention of the Senate that the assents should be given ‘in

council,' or whether the language of its resolution required that construction, all must admit that but one object was to be accomplished, viz., the 'free and voluntary assent' of each separate tribe or band to the amended treaty. Now, if the Senate pointed out one particular place or manner for expressing those assents, and the Indians chose another place or manner for making the same expression, will it be contended that the treaty should fall rather than that the forms prescribed by the Senate should not be complied with, while the substance of their requisition had been met by the 'free and voluntary assent' of a majority of the chiefs? This was his view of the force of the objection that the assents had not been given 'in council.' To him it was immaterial whether the Senate *intended* that the assents should be given in council or not, as it was whether they *were* given in council or out of it. The only material inquiry to him was, had the majority of the chiefs in fact given their 'free and voluntary assent' to the amended treaty? This brought him to the next ground upon which the sufficiency of the assents was resisted.

"*Second.* It is contended that the assents of the chiefs, who have given their assents in the manner before related, have not been 'free and voluntary,' but have been obtained by bribery, fraud and improper practices.

"The charges of bribery are not preferred against the commissioner or any of the agents of the United States, but against the company which had purchased the pre-emption right to the Seneca lands from the State of Massachusetts, and against the agents of that company. It was no part of his business to defend this company or their agents against these or any other charges, or to justify the practices of the one or the other, but simply to see how far those practices, whatever they may have been, should be held to invalidate the execution of this treaty on the part of the Seneca chiefs.

"The direct and specific charges of bribery are based upon eight several contracts made between an agent of the pre-emption company and that number of the Seneca chiefs, all of which contracts were in writing, signed and sealed by the respective parties and attested by one or more witnesses. The honorable chairman of the committee, in the course of his argument, caused

two of these contracts to be read to the Senate, and to save a repetition he would remark upon them, as samples of the whole.

“The first was with John Snow, a Seneca chief, residing on the Buffalo Creek reservation. This contract recites that the pre-emption company are desirous to promote the policy of the United States in the removal of the Indians west of the Mississippi, and also to extinguish the title to their lands in the State of New York; that, in furtherance of these objects, the company had authorized negotiations to be opened with the Indians, and offers of money to be made to them as a permanent fund for the nation, and to compensate them for their improvements, and also ‘deemed it advisable and necessary to employ the aid, co-operation and services of certain individuals who are able to influence the said Indians to accept of the offers so to be made to them;’ that Heman B. Potter, the first party in the contract, was authorized to act for the pre-emption company, and to contract with individuals for their aid and influence, and that Snow, the second party to the contract, had agreed to contribute his influence and services, and, in case of the extinguishment of the Indian title by the company, to sell to them his improvements.

“The parties then go on to contract, *First*. That Snow shall ‘use his best endeavors and exertions’ to induce the Indians to sell their lands and remove west, and that he shall co-operate with, and on all occasions aid the company and their agents ‘in talks and negotiations with the chiefs and other influential men of the said tribe, and in the active application of his whole influence at councils and confidential interviews, for the purpose of effecting a treaty between the said tribe and the said proprietors, for the extinguishment of the Indian title to the said reserved lands.’ *Second*. That Snow shall and does convey to the company his buildings and improvements upon the Indian reservations, and not, in the mean time, to lease or in any other manner dispose of the same. *Third*. Potter, as the agent of the company, agrees to pay to Snow the sum of \$2,000 within three months after notice of the ratification of a valid treaty extinguishing the Indian title to the reservations, with these conditions:

“1. That if the treaty shall contain provisions to pay individual Indians for their improvements, Snow shall receive, toward

the \$2,000 agreed to be paid to him, the sum he may be entitled to receive under the treaty for improvements, and the balance only, if any, shall be paid by the company within the time limited, or as soon thereafter as it can be ascertained.

“ 2. That if, by the provisions of the treaty, Snow shall be entitled to receive more than \$2,000 for improvements, the company shall be discharged from the payment of any part of the \$2,000, and Snow shall take all that is due to him under the treaty.

“ 3. That Snow shall be entitled to a life lease, at a nominal rent, of a lot of land actually occupied by him, and called the ‘ Whipple Farm,’ the lease to be executed by the company as soon as the lands can be surveyed after the treaty, and to have reference to the survey.

“ This is the substance of this contract; and, were all the others like it, their character and objects would admit of a more satisfactory explanation. His acquaintance with the Indians of New York enabled him to appreciate this contract. These Indians were confined within very narrow reservations, and it had long been a practice with them to lease portions of their lands to the whites for cultivation and improvement. The improvements made by themselves or their lessees were held to be the private and individual property of the Indian, whose right of occupancy to the land in question was admitted by the band. Hence, as a necessary consequence, when it was proposed to make a sale of lands, the first object, to those who owned improvements upon the tract proposed to be conveyed, was to secure the value of their improvements, so that they should not, with the value of the soil, pass into the common national fund. This contract showed most clearly to his mind that this was the great inducement with Snow to enter into it. By the contract the company guarantees to him \$2,000 for his improvements, satisfied, no doubt, that the \$102,000, to be paid by them for the improvements of individual Indians, would give to Snow that sum. Indeed, the contract might be suspected of intentional fraud upon the rights of Snow, as a claimant to improvements, were it not that, in case his improvements shall entitle him to a greater sum than the \$2,000 stipulated to be paid, he is to have the surplus, and the company are to pay nothing.

The other contracts, however, or for the payment of money, without the chief to improvements, and in this defend them. They were not, in his in principle or policy. He did not every contracts had done more, much execution of this treaty than to promote the part of the chiefs not contract deriving money for their influence in was not offered to them, was eminent minds against it, and thus to engender powerful than the influence purchased. That such had been the practical reason to doubt, while the opposite strongest ground for the presumption.

"It was but just, however, to say to chiefs, in anticipation of a treaty, to new in substance to these or any other present opposing chiefs of the Seneca had been, the recipients of annuities given as gratuities upon the execution could not say that their opposition absence of similar offers to them to present treaty. It was fair, however, sition could not be founded upon the gratuities to chiefs at the time of manifesting no disposition to surrender to the pre-emption company, the character.

"It is said that these contracts were fraudulent and mischievous. He believed their character, and he did not doubt man was right in saying that a paper exhibited to the Senate; but he considered the novelty consisted in the *secrecy* of the it, he apprehended that the singularity publicity of the contracts, the execution seal, and attested by witnesses. Was

deliberately undertake to practice bribery to do it in this manner? Did they usually make a deed in writing, and call witnesses to its execution? He supposed not; and it seemed to him that these facts should rather be considered evidences of a mistaken consciousness of the pursuit of a legitimate and honest object, than of a disposition to practice secret bribery. Look for the paper evidence of the gratuities which have been given upon the execution of former treaties with this band of Indians. Look for the paper evidences of claim to the annuities which are yet paid, and some of which are not only for the life of the chief, but go to his heirs. Go to those treaties: and shall we find them? No, sir; no. Shall we find deeds minutely drawn and formally witnessed? He had heard of no such papers; and yet the annuities existed and were regularly paid.

“He must not be understood as justifying or defending these contracts. He did not do either; but he could not see that their turpitude was to be sought for in their secrecy.

“He could have but one object in referring to them, and that was to determine whether they should be held to vitiate the assent in fact given by the Seneca chiefs to the amended treaty now before the Senate. That point would be made more clear by a brief reference to the chronological order of the transactions.

“The first of the eight contracts bears date on the 29th of July, 1837, and the last of them on the sixteenth of September of the same year. The original treaty was concluded at Buffalo Creek on the 15th day of January, 1838, four months after the execution of the last of these contracts. That original treaty was laid before the Senate by the President on the 13th day of April, 1838, and the amended treaty, now under consideration, was substituted for it on the eleventh day of June after, and, as amended, was, by the resolution of this body, of which so much has been said, directed to be submitted to the Indians for their ‘free and voluntary assent.’

“The contracts to bribe, therefore, if such these contracts are to be considered, were consummated four months before the making of the original treaty with the Indians; which was formed after full negotiations with them, and the ratification of

which by them, if it ever was a question with the Senate, cannot certainly be so now, after this body has acted upon it as a treaty, has amended it, has ratified it on its part as amended, and has returned it to the Indians for their assent in its amended state. No allegation was found in the papers, or had reached him from any quarter, of any attempts on the part of the pre-emption company or its agents, or of any one else, to make contracts of this sort as an inducement to the assent of the Indians to the amended treaty. Indeed, he was not now aware that charges of bribery of any sort had been preferred in relation to the assents to the amended treaty; although the charges of that character relating to the formation of the original treaty had, so far as he recollected, been principally embodied and brought forward since the amended treaty had been submitted and assented to in the manner before related.

“It was fair to say that all these contracts depended upon the final ratification and confirmation of the treaty by the United States, and that, therefore, the interest created under them in favor of the chiefs who were parties to them might have continued to influence their conduct in relation to the assents to the amended treaty; but, to his mind, this was giving to the charges of fraud and secrecy a meliorated influence and greatly mitigated force. The contracts were completed in September, 1837. The amended treaty was submitted for assent in the fall of 1838, and again in the summer of 1839; and if the convictions upon the minds of these chiefs of the beneficial effects of the treaty to themselves and their nation, existing in the fall of 1837, whether produced by the contracts or otherwise, remained and continued to govern their voices and acts in 1839, two years after; and after the existence of the contracts had become known, if a sufficient number of their associate chiefs were willing to unite with them in assenting to the amended treaty to form a majority of all the chiefs of the tribe, the conclusion can but be evident that strong and good reasons for the ratification of the treaty on the part of the Indians, independent of these contracts, must have existed and had their influence upon the minds and feelings and action of that majority.

“Were, then, the assents of this majority of the chiefs fairly and freely and voluntarily given?

“He had remarked at the outset, and had received universal assent to the proposition, that he should commence the discussion with the assumption that the commissioner on the part of the United States who negotiated this treaty stood unimpeached and unimpeachable, and that all his statements of fact were to be fully credited. He was not about to draw heavily upon his testimony in relation to this point, but a single short paragraph from his last report became necessary to corroborate the evidence of the disinterested witness he was about to call upon the stand. The commissioner says:

“‘In every instance where a signature was received, either Gen. Dearborn or I distinctly inquired of the person offering to sign whether he fully understood the subject, and whether he freely and voluntarily signed the assent. In each case a distinct affirmative answer was given.’

“He now turned to the statements of Gen. H. A. S. Dearborn, the agent appointed, on the part of the State of Massachusetts, for the single and only purpose of seeing that the interests and rights of the Indians were protected in every part of the negotiation. He had made the preliminary remark that this was a disinterested witness, and one whose character and fairness had been indorsed as well by the opponents as the friends of the treaty. Upon the point now under discussion, therefore, he should rely wholly upon his testimony, and he should do it with the most perfect confidence that none of his statements would be even doubted.

“Before proceeding to quote his remarks, he would, to prevent confusion and misunderstanding, remind the Senate that this gentleman did not represent his State at the making of the original treaty. A citizen of Buffalo, in the State of New York, of high standing, had the honor of being deputed to represent the State upon that occasion. Complaints having been made connected with that negotiation, as had been before abundantly seen, when the amended treaty was to be submitted to the Indians, the Governor of that Commonwealth, with a just regard to his own elevated standing, to the character and responsibilities of his State, and to the rights and interests of these dependent red

men, appointed Gen. Dearborn, the Adjutant-General of the State, to represent it upon the occasion. It was from the official reports of that officer that he should make his quotations; and he would detain the Senate by such only as were pertinent to the question whether the assents of the Seneca chiefs to the amended treaty were fairly, freely and voluntarily given.

“In his report to the Governor of Massachusetts, under date of October, 1838, at Lewiston, New York, after the thirty-one assents had been obtained, he says :

“ ‘ In previous conversations, I have represented the deplorable condition of the Seneca Indians, and the reasons why I have come to the conclusion that the only chance for their reformation and continued existence as a distinct people is an immediate emigration to the mild climate and excellent tract of land offered them by the national government; and I am perfectly satisfied, were it not for the unremitted and disingenuous exertions of a certain number of white men, who are actuated by their private interests, to induce the chiefs not to assent to the treaty, it would immediately have been approved by an immense majority.

“ ‘ Not an objection or complaint has been made, by a single Indian, during the whole progress of the council, as to the price obtained for their right of possession ; and I have not seen an individual, other than the persons above named, who does not think the offer of the government a most generous and favorable one for the Indians; and who does not concur in the opinion that it is not only for their individual and national interests to remove, but that their fate will inevitably be disastrous — that they will be overwhelmed with poverty and misery, and soon become extinct, from their idle, intemperate and other vicious habits, if they do not abandon their present position.

“ ‘ *The same liberal terms which have been offered to these Indians, if extended to any county in New England, would nearly depopulate it in six months.*

“ ‘ The conduct of the Hon. Ransom H. Gillet, the commissioner of the United States, during the whole session of the council, has been such as to merit the confidence which had been reposed in him by the general government, and to meet my entire approbation, *from the unwearied pains he has taken to fully, fairly and clearly explain the provisions of the treaty*, and present the character of the soil and climate, and the advantages which the Indians would derive from accepting the territory which is offered them beyond the Mississippi. He appeared to be solely actuated by an earnest desire to advance their interests, and induce them to comprehend the beneficent objects of the government in making such a munificent provision for the advancement of their present and future comfort, independence, happiness and prosperity.’

“This is the testimony of Gen. Dearborn, as to the first effort to obtain the assent of the Senecas to the amended treaty.

“In his report to the Governor, after his second visit, when the ten additional assents were obtained, under date of the 2d of January, 1839, he says:

“ ‘I invariably asked each of the chiefs, in the presence of all the persons present, whether they were perfectly satisfied with the treaty and the contract for the sale of their right of possession to the lands on which they resided, and willingly and freely came forward to sign the treaty, *and they all answered in the affirmative*; and I am fully of the opinion that they have done so from an anxious desire to avail themselves of the privilege of removing into the Indian territory, west of the State of Missouri, on the liberal terms offered them by the government of the United States, and from the conviction that the condition of the nation would become annually more deplorable, so long as they remained on their present reservations, where there was no hope of amendment in morals or the habits of industry. I sincerely believe that nearly all the other chiefs would have cheerfully given their assent, were it not for the conduct of certain white men, who are interested in the continuance of the tribe on their several reservations of Alleghany river, Cattaraugus, Buffalo and Tonawanda creeks, and the danger they apprehended from the party of a few chiefs, who, from ambitious motives and political consequence, are adverse to a change of residence, having threatened with fatal consequences such as should give their assent, as stated in my former report, and illustrated in the deposition of John Jemison, marked F and G.’

“He would not take the trouble to make further extracts upon this point. He had shown that a majority of the Seneca chiefs had, in fact, assented to the amended treaty, not in council, but with a full knowledge of the instrument, and a perfect understanding of the consequences of their acts; and here was the concurring testimony of two persons, whose duty it was to know the facts, and who could have no possible interest in misrepresenting them, proving that those assents were fairly, freely and voluntarily given.

“From this state of facts, it would seem to him to follow, as a compulsory duty, that the Senate should declare these assents satisfactory; but if this was too strong a position to occupy, and there was yet discretion left to the body, it did appear to him impossible that he should be mistaken in assuming that he had shown enough to render it fully competent, within the sound

discretion of the members, to make that declaration, in case it should appear that such a result would be greatly beneficial to the Indians, to the whites among whom they were now located, and not injurious to the interests of the United States.

“There was one other view of the matter, however, which he would suggest, before he proceeded to the consideration of the pecuniary interests involved in the controversy.

“Hitherto he had argued the question of the execution of this treaty upon the admission that the assent of a majority of all the Seneca chiefs, of every grade, was necessary to its validity. This was an admission which he did not make except for the sake of the argument, because it was a position in the soundness of which he did not believe. So far as his acquaintance extended, it was a new principle connected with the making of Indian treaties, by this or the State governments; and he believed, also, that it was new to the laws and customs of the Indians themselves.

“He would call the attention of the Senate to two short extracts from the report of Gen. Dearborn of the 2d of January, 1839, which would enable him to express his opinion upon this point in an intelligible manner. The first extract is as follows:

“‘There are eight clans or families in each of the tribes of the Six Nations, which are designated by the names of Beaver, Turtle, Wolf, Bear, Snipe, Deer, Hawk and White Crane or Heron. It is expressly prohibited by a law of the tribes for persons of the same clan to intermarry, and it is considered as immoral and irreligious as would be a union within the forbidden limits of consanguinity among the Jews and Christians; and I have been assured that an instance of such a matrimonial connection, as would be considered by the humblest Indian a wicked and monstrous indecency, has never been known.’

“The second is as follows:

“‘There are eight great sachems of the tribe in the Seneca nation of Indians, who are also chiefs. It is the highest title and rank, and the office is hereditary, like that of the other chiefs. The present sachems are Little Johnson, Daniel Two Guns, Captain Pollard, James Stevenson and George Linsley of the Buffalo Creek band; Captain Strong and Blue Eyes of the Cattaraugus reservation, and Jemmy John of Tonawanda, *six of whom have signed the treaty.* Half of them are Christians and the others Pagans.’

“Now, if the agent had been more particular, he would undoubtedly have told us that, of these eight sachems or princi-

pal chiefs, one belonged to each of the eight families or clans of which he had before spoken, and the symbolical names of each of which he had given. He would have learned that they were the great fathers of the nation, the civil chiefs upon whom the transaction of the business of the nation is devolved; and he, Mr. W., did not doubt that, had this treaty been negotiated with the State of New York, the signatures of a majority of these sachems would have been held sufficient to have constituted it a valid treaty, and that any other signatures of chiefs of a lower grade would have been considered a mere matter of personal gratification and not of essential substance. He had, therefore, no doubt upon his own mind that the concurrence of six of these sachems in this amended treaty was of itself a valid execution of it, according to the laws and customs of the Seneca nation.

“Still, he had argued the question upon the other hypothesis, because an examination of the papers had satisfied him that a majority of all the chiefs of all grades had given an assent which the Senate must consider satisfactory.

“He would now consider, as briefly as he might, the pecuniary interests of the various parties to this treaty; and,

“*First.* The interests of the State of Massachusetts.

“According to his understanding in the matter, that State had now no pecuniary interest whatever in these questions. The charters granted by the Crown of Great Britain to the colonies of Massachusetts and New York conflicted as to boundaries, and both colonies claimed the territory west of a meridian line passing through or near the Seneca lake, and within the present limits of the State of New York. By an amicable adjustment between the two States, in the year 1786, Massachusetts released to New York the sovereignty and governmental control over the territory, and New York surrendered to Massachusetts the right of soil, subject to the Indian title, and the right to extinguish the Indian title in her own way. Not many years after this period Massachusetts sold to private individuals her pre-emption right to the whole country, reserving that power of guardianship over the Indians which the old States have ever exercised within their limits, and which the United States has exercised without the limits of the States, and within those limits where

the right of pre-emption from the Indians belonged to this government. In this way, and for this reason, it is that Massachusetts has been represented in all the transactions with the Seneca and Tuscarora Indians in relation to this treaty, the reservations of these lands being within the limits of her original right of pre-emption; but since the sale from her to individuals, under whom the present pre-emption company hold, he did not understand that the State had any other interest than the duty remaining upon her, as a government, to see that the rights of the Indians were fairly and faithfully protected.

“Second. The interests of the pre-emption company.

“The interests of this company would be seen from what had been said in relation to the connection of the State of Massachusetts with this matter. As purchasers from that State, they hold the exclusive right to extinguish the Indian title, whenever the Indians shall be induced to surrender the possession and occupancy of the lands. By virtue of that right, they have already extinguished the Indian title to an extensive and fertile country, and the present treaty proposes to complete the operation by the extinguishment of that title to all which remains, being about 116,000 acres.

“The interests of this company are direct and palpable. The purchase from Massachusetts was made in 1796 or 1797, and, so far as these lands are concerned, the purchase-money paid to that State has been unproductive capital to the company from that day to the present time. It is abundantly shown, too, that the present reservations are constantly becoming less valuable, by being stripped of their timber, which, in their natural state, constituted the chief value of two or three of them. This consideration renders it a matter of direct interest to the company to extinguish the Indian title, and obtain the actual possession at the earliest practicable day.

“As much had been said of the vast speculation which this company would make by the ratification of this treaty, he had taken some pains to form an opinion upon that point, and had therefore endeavored to ascertain what had been paid to the State of Massachusetts for the right to extinguish the Indian title. As nearly as he could learn from the documents which

had come within his reach, about £300,000, New England currency, equal to about \$1,200,000, had been paid for the whole purchase, and that somewhere from 4,000,000 to 5,000,000 acres of land were covered by the purchase. He therefore concluded that the price paid to Massachusetts for the right of pre-emption from the Indians, say in 1797, must have been somewhere from twenty-five to thirty cents per acre. He had not taken the pains to make a calculation to see what, at a fair rate of investment, that price would bring the cost of the land to at this period, but, when added to the \$212,000, or thereabouts, now to be paid, and the gratuities which have been and are to be given in case the treaty be finally ratified, he had satisfied himself that the speculation of the company would be much less than had been imagined, and that a prudent man, who had the money, would pause before he would take the property off their hands at principal, interest and costs.

“Still, the interests of this company were nothing to him. It was not their advantage which he felt called upon to consult, or which induced him to urge the ratification of the treaty. As constituents of his, as he believed most of them were, and as highly respectable individuals, so far as he knew them, he would, as far as lay in his power, do them justice upon this as upon all occasions; but he would not urge this treaty upon the Senate, to the detriment of the Indians, because this company might be benefited by its ratification, as he certainly would not vote for its rejection, to the detriment of the Indians, for fear this company might profit from its operation.

“*Third.* The interests of the State of New York and her citizens.

“The State, as such, had no interest in this question, separate from the interests of the citizens to be affected by the continuance or removal of the Indians. The extent of these interests would be best shown by brief statistical statements.

“The Senecas are scattered through the six counties of Allegany, Cattaraugus, Chautauqua, Erie, Genesee and Orleans. This band of Indians, together with the Onondagas and Cayugas, who reside with them upon their reservations, number 2,623 souls, and the white population of the counties in which they are, as shown by the State census of 1835, was 244,144 souls.

“The Onondagas, at Onondaga, number 300 souls, and are in the county of their name, which had at the same period a white population of 60,908 souls.

“The Oneidas, at Oneida, are 620 souls, and are in the county of their name, with a white population of 77,518 souls.

“The American party of the St. Regis number 350 souls, and are in the counties of St. Lawrence and Franklin, with a white population of 54,548 souls.

“The Tuscaroras number 273 souls, and are in the county of Niagara, which has a white population of 24,490 souls.

“The Stockbridges, Munsees and Brothertowns, so far as they remain in New York, are scattered among the other bands, and number, together, 709 souls.

“Thus it will be seen that all these bands and remnants of tribes of Indians are scattered through eleven counties of the State; that they number, altogether, 4,885 souls, and that the white population of the counties in which they are, was, in 1835, as shown by the State census, 461,608 souls, or almost 100 whites to one Indian.

“From this it will be seen that nothing like apprehension from the presence of these Indians can be felt by the whites; that the inconvenience of the reservations to the white settlements, in many cases,—the desire to bring into profitable settlement and cultivation the lands they occupy,—and the injurious effects upon society, in all cases and with both races, of familiar intercourse between them, are the prominent interests which the citizens and State of New York have in the ratification of this treaty. To the city and town of Buffalo, immediately bordering upon one of the largest and most populous of the Seneca reservations, and the city and town containing a white population of full 20,000 souls, this question was one of more deep and pervading interest, as it was also, properly considered, to the Indians residing upon that reservation. But he believed he should be justified by the fact, if he were to say that, even in the counties where these Indians are, the strong feeling for their preservation from the accumulated evils which surround them, and which, it is seen, are rapidly producing their extinction, creates a deeper interest with the whites for their removal to the Indian country, than any considerations

of convenience or property anticipated from the accomplishment of that object.

“*Fourth.* The interests of the United States.

“Much of the debate had turned upon this point ; and he was bound to confess that he thought it the strongest ground upon which the treaty could be resisted. Yet he hoped to show that even this ground of resistance was not well taken ; and for that purpose he would recur to the facts in the case touching the national treasury.

“He had before remarked, that the small sums to be paid to the various bands amounted to about \$20,000, and that the general payment stipulated to be made to all the bands, in a proportion *per capita* as they should remove west, was \$400,000. These payments together would be about \$420,000, but of the whole sum he did not believe an amount exceeding \$10,000 would be called for during the present year. Such was the condition of all these Indians, that he did not suppose it possible that any considerable proportion of them, if even a single Indian, could remove, after this advanced period of the spring, and after the appropriations under the treaty could be made. Of the sums payable to the various bands, he recollected but one sum, of \$1,000 to the St. Regis, which was payable before removal, and that sum was not required to be paid until the expiration of one year from the final ratification of the treaty. The immediate demand upon the treasury, therefore, was not to alarm any one ; but the ultimate payment was considerable ; and how was the treasury to be compensated for it ? This was the essential inquiry ; and if it could be satisfactorily answered, he hoped this objection to the treaty would be considered obviated.

“The answer, then, was that the first article of the treaty cedes to the United States the tract of land owned by these bands of Indians at Green Bay, in the territory of Wisconsin, being 435,000 acres. At the present minimum price of the government for the public domain, this land will bring into the treasury \$543,750 ; while its location upon the Fox river, and its quality, are said to give it peculiar prominence and to insure its instant sale for immediate settlement. He thought it, therefore, fair to anticipate, in case of a prompt survey and sale, that this land would

bring into the treasury all the money required to carry the treaty into effect as soon and as rapidly as it would be wanted, and would afford a surplus more than equal to the expenses of the survey and sale.

“To this extent, therefore, no argument against the treaty was to be drawn from the demands it would create upon the public treasury. Another argument had been used, however, having the same tendency, which required examination. It was that the country stipulated to be given to these Indians, west, was more than an equivalent for their Green Bay lands, inasmuch as 320 acres for each soul was given in lieu of 100.

“The answer to this was, that the country west was a part of that great country west of the States which the United States, in the prosecution of a wise and humane policy toward the remaining Indian tribes, have set apart for their permanent and peaceful and undisturbed homes, and for the appropriation of which forever to that object the faith of the nation has been most solemnly pledged. It was wholly immaterial, therefore, in a pecuniary sense, what Indians should occupy any particular portion of this territory. The whole was set apart for Indian occupancy; and in no treaty heretofore made with any Indians in the Union, with a view to their removal to the Indian country west of the Mississippi, had the value of that portion of that country to be assigned to them been taken into the account, or made a matter of estimate, in the purchase from them of their possessions within the States. This country had been set apart from the extensive domain of the Union as a home for the red men, whom the cupidity of the whites had driven from the homes and hunting grounds of their fathers, and many of whom had not, for this cause — like many of these remnants of bands yet lingering in New York — any country to exchange for that quiet home thus offered to them. The policy, therefore, had been to purchase their possessions and pay the estimated value of them, independently of the new country to be assigned to them; and he believed, if the treaties were carefully examined, it would further appear that the expenses of their removal and their subsistence for one year at their new homes had been paid from the public treasury, over and above the value of the lands purchased

from them. Not so in this case. The value of the lands purchased was not problematical. They were already in the middle of a settled and rapidly settling country. Their quality was well known and their location of the most desirable character, and yet at the minimum price of the government lands they would bring more than \$100,000 beyond every sum to be paid under the provisions of this treaty. Nay, they would bring into the treasury more money than was to be paid under the treaty, and the cost to the United States of the country to be given to the Indians west besides.

“Was this treaty, then, to be rejected on account of its unfavorable influence upon the pecuniary interests of the United States? He trusted not.

“There was another view of this point which would place the interests of the United States in a very different light. It was admitted on all hands that the treaty had been assented to, and was perfect and binding as to all the bands except the Senecas. It had been before seen that the Green Bay lands were the property of the New York Indians generally and equally. A portion of those lands, equal to 65,000 acres, had been, by a late treaty, granted in severalty to that portion of the Oneidas now at Green Bay, and they had ceased to be any longer parties to this treaty. The quantity of land remaining was 435,000 acres, the common property of all the bands, this portion of the Oneidas only excepted. The population of all the bands, as given in the schedule annexed to the treaty, and forming part of it, was 5,485 souls. Deduct the Oneidas at Green Bay, 600 souls, and there would remain a population of 4,885, owning the 435,000 acres of land. Of this population the Senecas and the Onondagas and Cayugas, residing upon their reservations, numbered 2,633. These taken from the 4,885 would leave 2,252, as to whom the treaty was admitted to be ratified and perfect. Now, the right of all these Indians in the Green Bay lands is a common, undivided right; and if, therefore, the treaty be not confirmed as to the Senecas, the United States will be the owner of the 2,252 shares in common with the Senecas, who will remain the owners of the 2,633 shares, the whole being in common and undivided, and the common interests of all the proprietors being in and to

every part. The United States, therefore, will be unable to realize anything for their interest, because they can neither convey nor give title to a single separate foot of the land.

“Still, by the last article of the treaty, the United States must pay that proportion of the \$400,000, which 2,258 bears to 2,633, because as to the 2,252 Indians the treaty is perfect. In other words, the United States must advance the gratuities to the small bands, amounting to \$20,000, and must pay about half of the \$400,000, and will have, as a compensation for these payments, a common and undivided right with the Senecas to about one-half of the Green Bay lands, a right of which it cannot avail itself for any useful purpose whatever, while thus held in common with the Indians. On the contrary, confirm the treaty as to the Senecas, as it is confirmed as to the other bands, and the right to the Green Bay lands becomes perfect, and the treasury will be fully indemnified for all the payments required to be made under the treaty.

“Could anything more be required to show the true pecuniary interests of the United States to be favorable to the confirmation of the treaty? It was due to the Territory of Wisconsin, too, if within the fair exercise of the powers of the Senate, that these Green Bay lands, within the immediate neighborhood of one of its most important trading towns, should be disincumbered and opened for a market and for settlement. This was an interest of the United States which could not be disregarded, whether it was looked at in reference to the sale of our other lands there, or to our duty toward the present inhabitants of that territory.

“*Last and most important.* The interests of the Indians, parties to the treaty.

“In a pecuniary sense these interests are clear, strong and decided. They are, altogether, 4,885 souls, and they are to receive from the pre-emption company about \$212,000 in money, and from the United States about \$420,000 more, and at their new homes, secure from the encroachments of the whites, 320 acres of land to each soul, man, woman and child, of all the bands. All this they are to have in addition to the annuities which they now annually receive from the United States and from the State of New York, and which are to be regularly paid

to them by an express stipulation of the treaty. These annuities together cannot fall short of the sum of \$20,000, and are believed to exceed that amount. Then all or nearly all the bands, except the Senecas and Tuscaroras, have lands to sell to the State of New York, and for which, by the long-established practice of the State, they will receive the full appraised value in money, or in permanent annuities, as they shall choose.

“Was ever an entire community so rich as these Indians will be in lands and money? Well has Gen. Dearborn said:

“‘The same liberal terms which have been offered to these Indians, if extended to any county in New England, would nearly depopulate it in six months.’

“If such are the clear and strong advantages to the Indians pecuniarily from this treaty, what are they to expect from the change proposed in their physical and moral condition? It was only necessary to look back to the days of the American Revolution, to answer this inquiry. Then the New York Indians were the mighty Iroquois, an enemy almost as terrible to our Revolutionary fathers as the civilized enemy with whom they were contending. Even in a divided state, and with one of their strongest bands, the Oneidas, arrayed upon the side of the patriots in that glorious contest, the five remaining allied bands held our arms at bay for years, and rather advanced upon than were driven from the settlements, though opposed by some of our most brave and skillful generals. Some sixty or seventy years have passed, and now the New York Indians are the miserable scattered remnants of these powerful nations, and also of the St. Regis, the Stockbridge, the Brothertown and the Munsee tribes, and numbering in all less than 5,000 souls. Some of the bands of the Six Nations have entirely disappeared, and others are reduced to a few families, and have no home but such as they enjoy from the generosity of their allied neighbors. The same generous attachment to their race has given a home among the Six Nations to the Stockbridges from Massachusetts, the Brothertowns from Rhode Island and Connecticut, and the Munsees from Pennsylvania, from the Wyoming country, all the remnants of once powerful Indian nations, driven from their lands and their homes by the (to them) desolating march of civilization, and having not

where to rest their feet, until our faithful allies, the Oneidas, tendered them a resting place and a home in their country.

“What has produced this startling change in these hardy children of nature, within the short space allotted to the life of a single man? The answer stares us in the face. Not war, nor pestilence, nor famine, but the friendly touch of the white man! The progress, not of arms against them, but of settlements and civilization around them. Look at the Senecas. They constitute a moiety of all the Indians now in New York. In the war of 1812–15, they numbered their thousand warriors, and sent them to the field, led by the gallant Frasier, to strengthen our army upon the frontiers and within the territory of the enemy. Where now are those thousand warriors of the Senecas? Did that war reduce their number? No, sir; peace and friendly intercourse with us have done it, and already that thousand has become reduced to four hundred, if not within that number.

“He spoke from a statement given to him by two intelligent chiefs of the nation. The statement was too long to trouble the Senate with, but it gave a history of the perishing condition of that people, which could not fail to move all to their relief. They were perishing from their contact with the whites; while, so far from improving from the civilization around and among them, they are, as a people, worse fed, worse clad and worse provided, than they were when they had never seen a white man. The labors of philanthropists have been sedulously performed among portions of this tribe for a series of years, without being able to arrest their downward and rapid march toward complete extinction. While some are made wiser and better by their white associates, a vastly larger number are made more idle and more vicious.

“The paper before him gives a description of the state of society upon the Buffalo Creek reservation, produced by the proximity of the large and populous town of Buffalo, which cannot be read without pain and loathing. Superadded to all the other vices which have never failed to be imparted to the Indian from association with our cities, seduction and prostitution of the Indian females are said to have become frightfully common; and that the most dreadful of all the consequences of pollution of this

sort has reached the tribe, and is rapidly spreading itself among this portion of it. Thus a scourge, more deadly and fatal than any other which has ever afflicted the Indian — a scourge unknown to the natives until the white man was known — is sweeping over this small remnant of the once proud Seneca nation, sowing the seeds of a slow and miserable and lingering death around the germs of life. The statement before him expressed the confident belief that a majority of the children born alive in the nation die within the age of twelve months, many from exposure, from want of proper nourishment and ordinary comforts, from the carelessness of parents, and not a few from disease inherited from the mother.

“He would not, he could not, dwell upon this picture; and yet there are those whose mistaken sympathy would hold these people where they are, to perish under the load of vice which surrounds them, pervades their society in every form, and is sweeping them into the grave with unexampled rapidity. Not so with him. He would change their condition. He would remove them from the contamination which surrounds and is overwhelming them. He would place them where they may again be Indians; where they may again have the motives before them of ambition, of enterprise, of pleasure, of profit, which stimulate the Indian; and where, secure from the encroachments of the whites, they may again become independent and free and virtuous.

“But, Mr. President, said Mr. W., reject this treaty; combine, as you will then combine, the cupidity of the pre-emption company with that of the white settlers who now surround them, and from interest resist the company and the execution of this treaty — for the common object of both is gain from the Indians and from their lands — and when they find that a division of interest defeats either, a combination may be easily formed which will favor both; I say, accomplish this, and then what will be the condition of the New York Indians? How long will they be able to withstand a combination of interests so strong and so strongly wielded? They cannot withstand it, sir; and a few years will show you their history in that of the Stockbridges, the Brothertowns and the Munsees. They will be found miser-

able wanderers among their red brethren in some remote part of the country, without a home, or the means to procure one; without the comforts of life, or provision for their future support; their members but a fraction of the present population, and their last hope buried with the last council fire which burned upon those reservations they have been compelled to abandon to their white neighbors to avoid perfect extinction.

“May I not hope I have succeeded in proving that it is within the power of the Senate to declare the assents of the Senecas to this treaty satisfactory, and thus to save them from a fate so certain and so sad?”

CHAPTER LXXXIV.

THE BANKRUPT BILL OF 1840.

The overtrading in lands and merchandise, between 1836 and 1840, had produced not only bankruptcy, but actual insolvency, to a very great extent. A vast number of active men were so badly embarrassed as to prevent their doing business. Consequently there was an extensive call for a general bankrupt law, as authorized by the Constitution. Mr. WRIGHT favored a uniform one, conferring upon creditors as well as debtors the right to institute proceedings, and to subject corporations to them the same as individuals. He contended that the effect of a bill containing merely the voluntary provision would leave the creditor without remedy, and would seriously affect, if not destroy, the credit of our citizens in foreign countries. He expressed a doubt whether a law without this provision would be within the meaning of the Constitution. He moved several amendments, which were engrafted upon the bill which passed the Senate on the 24th of June, 1840, by yeas 24, nays 23, Mr. WRIGHT voting in favor of it. It did not pass the House at this session. At the next it passed both Houses, and became a law on the 19th of August, 1841, but was repealed on the 3d of March, 1843.

CHAPTER LXXXV.

THE BANKS IN THE DISTRICT OF COLUMBIA.

The subject of the charters of the banks in the District of Columbia came up again at the first session of the twenty-sixth Congress, in 1840, and was much discussed. The objections entertained, by Mr. WRIGHT and others, were to the details of the provisions presented for consideration, as the following remarks by him will show:

“Mr. WRIGHT had no strong feeling on the subject before them. He did not desire to be captious in legislation; but he wished the Senate to look at the situation in which it was placed. A new bill, and one complicated in its provisions, came from the House of Representatives, adopting former legislation as a part of its substance, and what were they told? Why, that that bill was to become one of the laws of the United States this day, or the most serious consequences, which gentlemen feelingly portrayed, must ensue. Now, he would ask gentlemen, in the spirit of candor, if it was expected or believed that a bill of this kind could take its second reading, pass into committee of the whole, be discussed, amended, ordered to a third reading (and let it be remembered that when it comes to a third reading the same difficulty will occur as now), and go back to the other House, be enrolled, sent to the President of the United States, and returned by him with his signature, all in one day? Had any Senator believed that all this could be performed between this time and twelve o'clock to-night, in the face of a fair, intelligent and determined, though not a captious, opposition? He could not believe it, and he begged the Senate not to wipe out its rules with such little promise of utility. He knew that many members of the Senate were anxious, and honestly so, for the passage of the bill. For himself, he differed with them. He did not believe in the abatement of suits when the clock strikes twelve to-night. He appealed to

the Senate to say whether it was worth while to try to run these bills through in so hurried a manner. We know and see, continued Mr. W., that it cannot be run through unresisted. There was an opposition here, though small, to a certain class of these institutions, but there was none to a different class of them. In reference to such a law as would save all the rights of these corporations, and enable them to wind up their affairs, he knew there would be no opposition to it. But in opposition to that legislation which would continue to them the power to discount, upon irredeemable paper, there was a small but determined minority. He believed they could not make that bill a law to-night, if they were to wipe out every rule of the Senate; and a failure of one minute to them would be as fatal as the failure of a month. Then, said Mr. W., let us look at this matter coolly. Let us act on it as a legislative body should—act liberally and rightfully, but let us act with due deliberation.”

The bill was finally lost by a vote of 20 to 16, Mr. WRIGHT voting for it. On a motion to reconsider, the vote was ayes 18, nays 21, and so the bill was finally lost.

MR. WRIGHT TO ALVIN HUNT.

“JAMESTOWN, CHAUTAUQUA COUNTY, }
“15th October, 1840. }

“MY DEAR SIR. — I have intended to visit Jefferson before the election, and have given encouragement to our friends in the county that I would do so. I now find that my engagements in this quarter of the State will probably put it out of my power to do so. I am to attend a mass meeting here to-morrow, at Buffalo on Monday, Batavia on Wednesday, in Niagara or Orleans on Friday, and Rochester on Saturday, the twenty-fourth. From there, it is my intention to take the first steamboat I can get for Ogdensburgh. It will, in my judgment, be too late to make it useful to attempt a mass meeting in Jefferson, even if it should be otherwise desirable, and therefore I make no calculation to stop there. If I could, I would tell you when I should be at the harbor, but I do not know the days of the boats, and at this season of the year I suppose they will not be regular.

“Will you do me the favor to give this information to our friends at your place, as they may have expected to hear from me on this subject at an earlier day. I have not a moment to say anything to you of prospects in this quarter.

“In great haste, most truly yours,

“SILAS WRIGHT, JR.

“ALVIN HUNT, Esq., Watertown, N. Y.”

MR. WRIGHT TO LUCIUS MOODY.

“CANTON, 8th November, 1840.

“MY DEAR BROTHER. — I arrived home in safety the morning after I left you at Oswego, though we made so slow a passage that I did not get a chance to stop at all, but left the boat and went directly into the stage. I found Clarissa in better general health than she has enjoyed before for some time, and she ascribes her improvement to her trip to Toronto. All our friends here are well; and mother, Luman and Horace have made us a visit this evening.

“I have made a statement of your interest on the Heaton land contract, since my return, and have given it to Luman, this evening, with eighty-six dollars and seventy cents, the same which I made your due. I have left, with the statement, your draft and the small receipt you gave me for one year's interest. You can draw on Luman for the above sum, eighty-six dollars and seventy cents, and when you are here you can look over the papers, and if there are mistakes I will rectify them hereafter.

“We are off on Wednesday morning; and as the appearances to us here are that the whigs have whipped us, and that old Tip, and Tyler, too, and log-cabins and coon skins are to have a reign, it is not unlikely we may make a short absence this time.

“All wish to be affectionately remembered to yourself, Julia and Master Horace, and if you will occasionally write us, at Washington, we will pay in kind or in documents.

“In great haste, most truly yours,

“SILAS WRIGHT, JR.

“Capt. LUCIUS MOODY.”

CHAPTER LXXXVI.

REPORT OF THE INDEPENDENT TREASURY.

The independent treasury bill became a law on the 4th of July, 1840, and steps were taken by Mr. Van Buren's administration for putting it in operation. Should this be completed and meet the expectation of its friends, its repeal and the substitution of a national bank would be no easy task. Agitation was calculated to prevent the public mind settling down in its favor. On the 15th of December, 1840, Mr. Clay, of Kentucky, offered a resolution instructing the Committee of Finance to report a bill for its repeal, upon which he opened a discussion in which a large number of Senators participated. Mr. WRIGHT, as chairman of the Committee on Finance and author of the bill, was looked to as one of its most appropriate defenders. He performed this duty to the satisfaction of his friends, and addressed to the Senate the following pertinent remarks:

"Mr. WRIGHT said he came from one of the nineteen States alluded to by the Senator from Kentucky, and he was happy to say to that Senator that he rejoiced to find it was the disposition of the party about to come into power to make precisely the issue tendered by this resolution. He thanked that Senator, therefore — as he would have done yesterday, when the resolution was presented, had it been proper — for presenting that proposition to them. He could say to that Senator that, for one — and perhaps he could say it with more propriety than any other member of that body — he did not desire further to discuss that measure, either before the Senate or the country; he could only say that, when the Senate was called upon to act upon the proposition, he was desirous that it should be with an understanding of what it is, and that the Senate might be as full as may be,

consistent with the attendance of members in the city. To-day he did not desire to act upon it, for one Senator now in town was sick and not able to be in his place; and another left town after the last adjournment of the Senate, prior to yesterday, with the confident expectation of returning last evening, who had not yet resumed his seat; but if there was a disposition in the Senate to act upon the resolution, and make an expression which would not mislead the public mind, he should desire that expression to be made now and upon this resolution. It would be a work of supererogation, in a short session like this, to pass the resolution, and instruct a committee to report a bill for the proposed repeal, without any expectation that the bill would meet the approbation of the Senate. Hence he wished that all the members in attendance might be present when the vote should be taken. But he could not excuse himself if he allowed the opportunity to pass without some slight reference to the remarks of the Senator by whom the resolution had been introduced. That Senator had become deeply impressed with the result of the late election; and on the point whether it was or was not a full and free and fair expression of the popular will, he, Mr. WRIGHT, did not stand there to express an opinion. He would merely call to the honorable Senator's mind that they had just passed through the first election, under this government, when principles on the part of the dominant party were not declared, when measures were not avowed, and when men stood before the country, not to proclaim to the people their principles and measures, but to apologize for saying nothing in reference to their measures or the policy which they proposed to adopt. That being the case, the Senate would pardon him for calling their attention to the fact that he, and other Senators who had sat there with him from 1832 and 1833 to the present time, had seen election after election, when it was the fashion of candidates and of parties to avow their principles, and had heard the honorable Senator, with an ingenuity which cannot be surpassed, parry the issue his, Mr. WRIGHT's, friends had made, and contend, almost with success, that nothing was prejudged by the popular voice in those popular elections. Take the very measure which it was now proposed to repeal, and what was the

judgment of the people, and what was the public expression at the congressional elections of 1838 and 1839? Then, if ever, a distinct issue or proposition was presented to the people of this country. That was the issue that was pending during the war of more than three years' duration, of which the honorable Senator had spoken — that was the only point in controversy; and what was the result? There was a popular branch of the national Legislature unfavorable to this measure in 1837 and 1838, and one was returned in its place, in 1838 and 1839, favorable to it; and it was adopted in pursuance of a pronunciation of the will of the people of this country, pending the controversy as to the measure itself. That popular mind may have changed — it may be different now; but if it be, and if the pronunciation of the popular opinion has been against the independent treasury, of what measure, as a substitute, has it been in favor? Has the pronouncement of the late election declared the popular voice of the country to be in favor of a national bank? Will the Senator contend that it was so, and will his party assume it? Or has it declared in favor of the policy of another political party, and a return to the system of State bank deposits? Would the honorable Senator admit that? He, Mr. WRIGHT, did not say the honorable Senator would admit either or both, but he had a right to ask the question.

“But the Senator says the result of the late election has been a triumphant pronunciation against this measure. How is it ascertained? By what declaration of policy or principle on the part of that party which has become predominant? Why, he should suppose — and he made the remark without intending disrespect anywhere — if the result of the late election could be claimed as proving anything, it was to prove that they were to take down the splendid edifice in which he then stood, and erect a log cabin in its place; that instead of the rich draperies and valuable pictures before them, they were to hang around their chamber coon skins, cat skins and other trophies of the chase. But the Senator does not claim such to be our duties, resulting from the late expression of the popular will. No, such is not and has not been the result of the pronunciation of the will of the freemen of this country; and yet, could they not prove such conclusions

with double force and double testimony over that which the honorable Senator seeks now to establish — the condemnation of the sub-treasury measure? And yet they were called upon to be silent, to submit and to obey this foregone decree. Against the popular pronouncement made at the late elections he should not intentionally utter one word; the decision of the people he should respect, for they were yet, thank God, the highest tribunal known to our country and her institutions. When the powers which that election has brought into existence shall constitutionally take their places, he should be one of those who, whether as a private citizen or in the high position in which he then stood, would be found ready to render a constitutional submission; but he was not ready to admit that, in rendering its verdict, the popular voice had pronounced its decision against this measure; or, if it had, that it had decided in favor of any other measure in its place. What, then, was the argument of the gentleman in favor of this precipitate repeal? Was it that the measure was doing mischief to the country and was working evil to the people? He, Mr. WRIGHT, did not understand him to say so. It was that it was not carried out in its terms and spirit, — that the law was not observed, but that it was violated, by the officers appointed under it. Well, the honorable Senator might be right, for he, Mr. WRIGHT, had not that acquaintance with banking institutions which would enable him to pronounce on the fact. If that was so, however, did it follow that the law must be repealed because the law was not observed? And should they expect from the honorable Senator that mode of getting rid of a salutary law which was not executed? Should not, rather, an inquiry be instituted to ascertain whether the officers did discharge their duty? He knew not what the fact might be anywhere, but he confessed it would have pleased him better if the honorable gentleman had consented to take Philadelphia instead of New York as an example; and he knew the New York banks were specie-paying banks; and he knew it was the constructive duty of the Receiver-General to receive three-fourths of the revenue there in the notes of specie-paying banks; but does the Philadelphia Receiver-General take checks upon non-specie-paying banks? And if the Receiver-General of New York,

instead of compelling the merchants to bring specie to his vaults, takes a certified check that is payable in specie and presents it for payment himself, is the law violated or is the community injured? What, then, is the argument? Why, that there had been but little salutary influence from the practical operation of this law, and therefore it was better to repeal it. Repeal it for what? To take the revenues out of the reach of Congress and place them again where they had virtually been since the suspension of the banks, in 1837, until the passage of the law, — in the hands of the executive? Will it be better to put them exclusively in executive hands, or to keep them within the power and provisions of a law, even if it does not suit the Senator, until a better system can be devised? What is the course of wisdom, and what has been the popular voice in the matter? But he was going further than he had intended, and therefore he should suspend further remark. He did not desire to foreclose the debate by a motion to postpone now; but when the Senate came to act upon this resolution he desired that the decision should be the sense of the Senate, and of as full a Senate as the attendance of members of the Senate in the city would permit. For the present, he would only ask that the vote be taken by ayes and noes."

The debate on this resolution was continued to the 20th of February, 1841. Pending the discussion, Mr. Allen, of Ohio, proposed to amend the resolution by striking out all after the word "resolved," and inserting the following:

"That the financial policy established at the origin of this government, by the first acts of its legislation, and especially by the thirtieth section of the 'Act to regulate the collection of duties, etc.,' approved by President Washington July 31st, 1789, and by the fourth section of the 'Act to establish the Treasury department, etc.,' approved by President Washington September 2d, 1789, was in strict conformity to the fundamental principles of the Constitution.

"*Resolved*, That, by a long series of subsequent acts tending to the great detriment of the public welfare, that policy had been departed from, and was, by the 'Act to provide for the collection, safe-keeping, transfer and disbursement of the public revenue,'

approved by President Van Buren July 4, 1840, fully restored, and ought to be adhered to; and, therefore,

“Resolved, That the government ought to collect no more taxes from the people, either directly or indirectly, than are absolutely necessary to an economical administration of its affairs.

“Resolved, That the taxes paid by the people ought not to be lent out by the government to individuals or to corporations.

“Resolved, That the taxes so paid by the people ought not to be placed by the government in the custody of agents who are not made, by the Constitution and the laws, responsible to the people.

“Resolved, That, in the transaction of its own affairs, the government ought to receive and tender in payment as money nothing but that which is made a legal tender by the Constitution.”

This amendment was considered, but no evidence is found of its adoption or rejection. On motion of Mr. Sevier, at the close of the discussion, Mr. Clay's resolution was laid on the table, by the following vote :

“Yeas — Messrs. Allen, Anderson, Benton, Buchanan, Calhoun, Clay, of Alabama, Cuthbert, Fulton, Hubbard, King, Linn, Lumpkin, Mouton, Nicholson, Norvell, Pierce, Roane, Robinson, Sevier, Smith, of Connecticut, Sturgeon, Tappan, Walker, Wall, Williams, WRIGHT, and Young — 27.

“Nays — Messrs. Bayard, Bates, Clay, of Kentucky, Clayton, Crittenden, Dixon, Graham, Henderson, Huntington, Ker, Knight, Mangam, Merrick, Nicholas, Phelps, Porter, Prientiss, Preston, Rives, Ruggles, Smith, of Indiana, Southard, Tallmadge, Webster, and White — 25.”

CHAPTER LXXXVII.

FINANCES OF THE COUNTRY.

On the 14th of December, 1840, Mr. WRIGHT moved that so much of the President's message as related to the finances of the country be referred to the Committee on Finance. At the instance of Mr. Webster the consideration of the motion was postponed. When it came up for consideration, on the seventeenth, Mr. WRIGHT thus addressed the Senate :

“Mr. WRIGHT said the honorable Senator from Massachusetts [Mr. Webster] had felt it to be his duty to open this discussion upon the message of the President, pending a simple motion to refer the portions of it to which he had alluded to the appropriate committee of the Senate, under the apprehension expressed by him that the publication and distribution of the statements and views of the President might produce erroneous impressions upon the minds of the people of the country. A similar apprehension, entertained by Mr. WRIGHT as to the remarks of the Senator, moved him to make this reply to that gentleman. A belief that his remarks were calculated to give erroneous impressions as to the message, and the fiscal condition of the country at the present time, made it his duty to notice some of the positions and arguments of the honorable Senator, and to correct, as far as he might be able, the errors of fact and conclusion which seemed to him to have been committed. This he intended to do as briefly as possible; and in the discussion he should endeavor to imitate the courtesy which had so clearly distinguished the language and manner of the honorable Senator.

“The Senator first referred to page eight of the message, where the President speaks of a national debt and a national bank. The Senator did not, at that time, consider it within his object to make any remarks in reference to the President's observations as to a

bank; but it was to the views expressed in the message on the subject of a national debt to which his attention was directed, with that point and force which always characterize the Senator's mind, and, he might perhaps say, on this occasion, the ingenuity which sometimes characterizes his arguments. He had asked if the President supposed, or if anybody supposed that there was a party in this country friendly to a national debt, *per se*. He, Mr. WRIGHT, did not believe that position met the President's remarks at all, for he did not understand the President as offering his views and urging his reasons against the contraction and perpetuation of a national debt on the ground that it was a debt to be contracted for the single and sole love of the debt for itself. He understood the President as taking other and higher ground, and as endeavoring to impress upon his countrymen, on the occasion which called forth that message, the evils of debt — under any circumstances, however, under whatever circumstances, and for whatever consideration contracted — and attempting to convince them that it should be avoided at all times and upon all occasions, and for all considerations, when the safety and honor of the nation will permit. Such he understood to be the drift and purport of the message upon this very important topic. Yet he, Mr. W., was prepared to go farther than the President had gone, and say what he had not said. He would say, not that there is a political party in this country in favor of a national debt, *per se*, but that there are *interests* in this country so in favor of a national debt — interests which ever had, do now, and ever will favor the existence and perpetuation of a national debt, *per se*, for itself, for the advantages they derive from it. He believed those interests existed in every civilized country — he believed they were ever active — and he believed they constituted an influence, against which it was one of the prominent objects of the President to warn Congress and the country. What are those interests which naturally favor a national debt, *per se*; a national debt for itself, and for the benefit to be derived from its existence? Retired capitalists, men who have withdrawn from business, with a capital which they wish to preserve for themselves and their families, constitute one such interest. Such persons naturally desire a permanent and safe investment for their money; and it is most

rational that they should vastly prefer their country as their debtors, if it be of good standing and credit, to any other. Look at England. What supports and perpetuates the aristocracy of wealth there but the British national debt? It rests upon the debt, and could not be sustained without it, and the indebtedness of the country is its strength and power. Mr. W. said he spoke not of this interest, as now existing in this country, in censure; it was as natural as existence itself; it must grow up in every prosperous community; will ever exist in some form, and can only be curbed and controlled by a people and government free from debt.

“But was there not another interest, and an important one in every commercial community, which was benefited by, and therefore was in favor of the existence of a national debt for itself? He spoke of that great interest connected with foreign commerce, and desirous of a medium of convenient remittance between its own and foreign countries. Why, he had seen frequently the utility of a national debt pressed upon the country for this cause; and quite recently articles had appeared in the public newspapers—and articles written with great ability—stating that since the extinguishment of our debt, fluctuations in our paper system had been more frequent and more deleterious, and contending that the existence of a national debt, and its influence on commercial transactions, were necessary to give that system stability. But a year ago, a proposition was deliberately put forth of that character, recommending that this country should create a debt, not singly to furnish these commercial accommodations, but urging that these would be necessary incidental benefits, while other great objects, valuable in the mind of the writer, were supposed to warrant the contraction of the proposed debt of hundreds of millions. These were not all.

“There was a third interest, which embraced that class of enterprising, acute persons, who seek a living, and their fortunes, by dealing in stocks—the class of brokers. They, as a class of men, must be attached to a national debt, *per se*; for nothing could be more desirable in the stock market than an abundance of national stocks and securities, and that abundance of custom-

ers, seeking investments and a market, which a full supply of superior stocks would never fail to present to that department of trade. Such securities, too, must have a tendency to keep the prices of stocks more stable, and thus render the profits of the broker more certain, and his calling more safe, if not more lucrative.

“A further interest, having the same natural tendency, was the money incorporations of the country, authorized to deal in stocks and exchange, or practically so dealing with or without authority. These institutions, more naturally than the brokers, must favor the existence of a national debt, *per se*; inasmuch as the profits of their business would be equally involved, while their own stability would be much more essentially promoted. He did not enumerate this interest with any political reference. It was an existing interest in our country, and in every commercial country in the world; and it would, most likely, continue to exist, so long as trade and commerce existed. Properly restrained, it was a healthful interest to trade and commerce, while, without restraint, it was a fearful interest. It was always active, and at times powerful beyond the careless estimate of a confiding people. Yet it was an interest which a people free from debt need not fear, but from which any people loaded with debt, public or private, had everything to apprehend. It was a corporate interest, representing no feeling to which human beings are susceptible, and destitute, from its nature, of all human sympathies.

“There was still another interest which should be, in his judgment, in favor of a national debt *per se*. He referred to the men and interests in the country which favored the establishment and preservation of a national bank as an institution to regulate our currency and credit. He did not speak of this interest as that of a political party in the country, or as connected with any existing political party. His object was to follow the course of argument of the honorable Senator from Massachusetts, and take a financial view of the topics under discussion; and he believed in his heart that every man who desired the establishment and perpetuation of a national bank in the United States should desire, as the only safe and secure foundation for such an institution, a permanent national debt. In his opinion, that was the only safe corner-stone,

the only secure defense for a national bank in this country. It was not his object, upon the present occasion, to question the patriotism or purity of purpose of any friend of a national bank. He would not, if he could avoid it, make this discussion political, much less partisan.

“He had looked at our own history, and found that a national debt had been the apology, and, as he thought, the controlling cause of our two former national banks; and he believed, further, that the existence and continuance of the debt had given to both the most of the permanency and stability which they had manifested to the country as money institutions controlling our currency and credit.

“He had also referred, himself, to the pecuniary institutions of England, and became equally satisfied that the national bank there could not sustain itself for an hour, with its conceded power over the paper system of that commercial country, if disconnected from the British national debt. The capital of the bank consists of the debt, and the country is its debtor for the credit it commands. How, then, is the country to get rid of the bank but by the payment of the debt, and how can the debtor, though the proudest government in the world, control the creditor while these embarrassing relations exist? It cannot be done, and hence the Bank of England must be as enduring as the debt of England.

“So here; so everywhere. When a government is in debt and requires a permanent credit beyond its means of payment, it may require a government bank to manage and regulate its fiscal affairs; to extend credit when its necessities require, and so regulate private business as to make that extension safe and profitable to itself.

“He must then repeat that, in his judgment, every man and every interest in this country, favorable to a national bank, should be also favorable to a national debt, as the only safe foundation upon which such a superstructure can be erected with any reasonable promise of permanency.

“He must conclude, therefore, that there were in this country interests, strong, powerful and active interests, in favor of a national debt *per se*; that these interests have favored, do now

favor, and will continue to favor the contraction and perpetuation of a national debt for the advantages which they may derive from it, and that the President was wise in warning his countrymen against their influence in this direction. Other interests might be added to the enumeration, but these were sufficient to elucidate the argument and show the danger to be constantly apprehended.

“The honorable Senator, if Mr. WRIGHT had understood him correctly, admitted that the views of the President, as expressed in his message upon the subject of a national debt, were correct and sound, but seemed to question his right to give them to his countrymen, because, as he contended, they were contrary to the practice of the administration, and of the President as its head.

“To prove this position, he asserts that the present is the first administration, under our institutions, which has begun a national debt in time of peace. The assertion is true; and yet, is it a fair presentation of the point intended to be discussed? Is it calculated to do justice to the President or to his administration? Why did not the Senator tell us that the administration of Gen. Jackson was the first, under our institutions, which ever paid a national debt? It would have been as true; and yet the assertion, presented in this way, would have been calculated to do injustice to every administration preceding that of Gen. Jackson. The fact is that no administration, prior to that of Mr. Van Buren, had ever existed, under our Constitution, which could *begin* a national debt, because every preceding administration had found a national debt in existence. Such a debt was contracted during the war of the Revolution, before our present government was formed, and was first finally extinguished during the administration of Gen. Jackson; and yet he believed he was safe in saying that every administration had borrowed money, and thus added to the existing debt, and had made payments toward its extinguishment. While, therefore, it was true that no administration, prior to that of Mr. Van Buren, had *begun* a debt, either in a time of peace or war, and that no administration, prior to that of Gen. Jackson, had paid off and extinguished our national debt, it was also true that all administrations, as well in

peace as war, had borrowed money, contracted debts and paid debts. The simple assertion of the Senator, then, that Mr. Van Buren's was the first administration which had begun a debt in time of peace, did not, in his judgment—and he pronounced the opinion with deference—present fairly to the country the President or his administration.

“It might be proper here to remark that, if the subsequent positions of the Senator were sound, no debt had been begun under Mr. Van Buren's administration, because a national debt had not ceased to exist. That which had been treated as our national debt, in our laws and in our fiscal accounts, was extinguished during the administration of Gen. Jackson; but if the items of Indian and other claims, referred to by the Senator, are to be set down as items of national debt, then has our national debt never been paid, and the administration of Mr. Van Buren cannot have ‘begun’ such a debt.

“The true and fair question is, however, why and under what circumstances has any portion of debt been contracted under this administration?

“It would not be necessary for him, Mr. W. said, to spend much time in answering this inquiry, as most of the Senators present were members of the body in 1837, and would retain personal recollections of the whole matter. All would remember that Congress was convened extraordinarily, for the single purpose of supplying the treasury and enabling it to preserve the public faith and honor; that this call was not made at a time of scarcity or want in the public funds, but when our revenues were most abundant, when we had millions on deposit with the banks, and millions due from them; that their inability to pay the drafts of the Treasurer, in conformity with the laws of Congress, created the want and compelled the call of Congress; and that the same inability of the banks compelled us, by the admission of all, to borrow money upon the credit of the people to keep the national treasury in operation.

“This new debt was not, then, contracted, or, in the language of the Senator, ‘began,’ because the extravagance of the administration had expended our substance. No, but because our trustees—because those with whom the money of the people had

been placed for safe-keeping, could not pay upon demand according to our laws; because our millions upon millions were without our control, in the keeping of banking institutions, and the credit of the people was resorted to to sustain the faith and honor of the country. What was the extent of the power then conferred upon the administration to contract a debt? If his recollection served him, it was \$10,000,000. And what were our dues from the banks alone? If he was not mistaken, some \$13,000,000 or \$14,000,000; and, beyond that, one of the prominent and worthy objects of the loan was to extend indulgence upon duty bonds to the merchants of the country, who were equally distressed with the public treasury from the revulsions of the time. Under such circumstances it was that the present administration 'began a debt in time of peace.'

"The next position of the honorable Senator is that the administration of Mr. Van Buren has expended much more money annually than the accruing revenue. That, he, Mr. WRIGHT, believed to be true; but he did not propose to follow the Senator at all in the data given to prove the position; he would say what he was sure would not be controverted, that the administration had expended, year by year, just so much and no more money than Congress had appropriated and ordered to be expended; that every year the appropriations of Congress had exceeded, by millions, the estimates of expenditure presented to it by the executive departments, and that it was a matter for Congress to provide the means to meet the expenditures itself directed. But it would not have been unjust to that administration if the honorable Senator had said, in passing, that during every year of its existence the mass of the public expenditures had been materially and rapidly reduced. The expenditures of 1838 were shown, by the President's message and the Secretary's report—the two documents to which the Senator had referred in this discussion—to be less than those of 1837. Those of 1839 were some six millions less; those for 1840 had been from two to three millions less than those for 1839, and the estimates for 1841 were materially less than those for any preceding year. This, then, was both sides of the book,—it was the present administration as it is, in reference to expenditures. During its term, those expenditures had

been undergoing a rapid reduction, from the commencement of its four years to the present hour. This was a just and entire view of the matter.

“The next position taken by the honorable Senator was the most material one in his argument, and without which Mr. W. might not have felt himself called upon to make this reply. The Senator did not even assert his point, but, in a manner most courteous, expressed his opinion that the President had made a variety of mistakes and omissions in his statement of the present national debt, as given in his message; that the country is, in fact, more in debt than the President and Secretary of the Treasury have represented it to be; and that, without his correction of these mistakes, these excesses of debt might be charged over to the coming administration, and the present might retire under appearances more favorable than the facts would warrant.

“To examine these opinions and apprehensions of the honorable Senator, and to try them by the facts, should now be his aim and effort, and was the purpose which had principally induced him to appear before the Senate upon the present occasion.

“It was admitted that the President had referred to the balance of outstanding treasury notes truly. He had stated that the amount unredeemed did not exceed four and a half millions of dollars, but the complaint was that he had represented that as the whole debt of the country at the present time, and as the amount which would constitute the whole debt at the time when he should hand over the administration of its affairs to his successor. Now, how had the Senator sought to show that the President had been mistaken? By referring to what was called the Trust Funds, and principally, and he believed entirely, to those portions of those funds which appertain to the Indians. In reference to the Indian trust funds, he said not that the fact was so, but that, on examination, he was inclined to believe that portions of them had been actually expended for the ordinary uses of the treasury, and were now a debt resting upon the country; that the moneys stipulated by Indian treaties to be invested had not been all invested, but that some hundreds of thousands of dollars of these moneys had been paid out and expended, and were now a debt against the treasury. He, Mr. WRIGHT, had taken as much pains to

obtain information upon these points as the time which had elapsed since the Senator's remarks were made would permit; and as he designed to state the facts fairly, plainly and truly, as far as he was able, and as the various Indian treaties varied in their provisions as to the trusts constituted under them and conferred upon the United States, he would be compelled to speak of certain treaties and certain trusts separately, each by itself, to make himself understood and to enable others to understand the facts. He would refer, then, in the first place, to the treaty with the Chickasaw Indians, as that treaty was peculiar, and the trust constituted and assumed was novel in our dealings with the Indian tribes. In this case, the United States had become the voluntary trustee of the Chickasaws, and had stipulated to sell their lands as the public domain of the United States is sold, to deduct simply the expenses of the treaty, of the survey and sale of the lands, and such other expenses as might be incurred for account of the Indians, not including any commissions or other compensation to the trustee, and to account to them for all the moneys which shall remain unexpended. In other words, the treaty binds the United States to sell the lands of these Indians to the best advantage, to account to them for the whole proceeds, and to manage such of their cash funds as shall remain in the hands of the government, without charge for trouble or responsibility.

"Upon inquiry at the Treasury department, he learned that a law of Congress had placed the principal part of the money to be received under this treaty in charge of the head of that department, for the purpose of investment; that small portions belonging to Chickasaw orphans, and to certain members of the tribe denominated 'incompetent Chickasaws,' remained in charge of the Secretary of War; that of the money in charge of the Secretary of the Treasury, all has been invested, over and above the portion consumed in expenses in conformity with the treaty, which there has been time to invest since the receipts; that the money is mostly paid in at the Pontioc land office, in the State of Mississippi, and some time is required to get the returns of sales and to bring the money into the treasury; that there may be now from \$20,000 to \$30,000 of these funds in the land offices,

in transitu, and in the treasury; but that no portions of them have been expended for the general uses of the treasury, and that investments are invariably made as soon as the sum accumulated is sufficient to authorize a negotiation for stocks. The honorable Senator will see, therefore, that his conjecture that some \$300,000 or \$400,000 of these funds had been expended is mistaken, and that no addition to the public debt is to be sought in this quarter.

“Whether or not there were small sums arising under this treaty in the care of the War department, and not yet invested, he did not know, as time had not allowed him to call upon the head of that department for the information. Still, he supposed this information immaterial for this argument, as money in the charge of the War department could not be in the treasury, and therefore could not be reached by a warrant upon the treasury or expended in the ordinary calls upon it.

“It was proper here to remark further, that the only Indian money in the charge of the Secretary of the Treasury for investment is the portion of the Chickasaw fund before pointed out. All those moneys arising under other treaties are, by the treaties, committed to the charge of the Secretary of War, and Congress has not yet transferred their custody to the treasury.

“Investments of Indian moneys, to large amounts, had been made both under the direction of the Secretary of War and the Secretary of the Treasury, and accounts of the transactions had been laid before Congress. The honorable Senator had referred to them, and had spoken of the prices in some cases paid for stocks, in a manner to give the impression that he suspected the investments had not been prudently and cautiously made. Mr. WRIGHT believed all the investments had been confined to stocks of the States, a description of security which he felt sure that Senator would not willingly depreciate or disparage; and if he would refer to the dates of the respective investments, and to the prices current of the stocks in the principal markets of the country, at the several periods, little ground would be discovered for complaint upon this point.

“He would now pass to another class of references made by the honorable Senator, and where, in the opinion of Mr. WRIGHT,

he approximated more nearly to the discovery of a debt, technically speaking, which is not noticed by the President. He alluded to the Senator's reference to several Indian treaties in a group, viz. :

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|---|--------------------|
| " One with the Ottawas and Chippewas | \$200,000 |
| " One with the Osages..... | 69,120 |
| " One with the Delawares | 46,080 |
| " One with the Sioux of Mississippi..... | 300,000 |
| " One with the Sacs and Foxes of Mississippi..... | 200,000 |
| " One with the Sacs and Foxes of Missouri..... | 157,400 |
| " One with the Winnebagoes..... | 1,100,000 |
| " One with the Creeks | 350,000 |
| " One with the Saways | 157,500 |
| | <hr/> |
| | <u>\$2,580,100</u> |

"These treaties severally stipulate that the sums above named shall be invested by the United States for the benefit of the several tribes of Indians named, and he believed it to be true that, as yet, none of the sums had been invested, but that Congress had preferred to appropriate annually the interest upon them, as a part of the current annual expenses of the country. All of the treaties except one, that with the Delawares, had been concluded since the commencement of the year 1837, and his information was that, in all the cases, very few sales of the lands, ceded by the respective treaties, had yet been made; not enough, in many cases, to cover the expenses of the treaties, and in none sufficient to bring into the treasury any considerable portion of the capital required to be invested.

"Another reason exists for the non-investment of these sums, which has its foundation in the Constitution of the country. It is that Congress has neither provided nor appropriated the money required to make the investments; and without an appropriation by law, neither the Secretary of the Treasury, nor the President, can take money from the treasury for these or any other purposes. The treaties create the liability against the United States for the \$2,580,100, but it is not a debt within the law, and cannot be noticed as such by the fiscal officer, until Congress recognize it, and provide for it by the proper constitutional appropriation. The treaties are the acts of the President and Senate, the treaty-

making power of the country; but Congress and the President — the law-making power — can alone pay money, even under a treaty. If, then, every acre of the land ceded by the Indians, and purchased by and for the benefit of the United States under these several treaties, were to be sold to-morrow, and the money paid into the treasury, neither the Secretary of War, nor the Secretary of the Treasury, nor any other person, could legally or constitutionally invest one dollar of it, or pay it out under any provision of the treaties, until Congress shall have appropriated it by law, and directed its application. In these cases, as he had before said, the lands had not been sold, the money had not come into the treasury, and Congress had preferred rather to appropriate the annual interest, than to borrow the money in advance, for the single purpose of funding it.

“He cheerfully admitted that the amount was a debt, as far as the treaty-making power could impose a debt upon the country; but it was not a liability upon the treasury, within the laws of Congress, and could not, therefore, be recognized as a debt by the Secretary of the Treasury, in presenting the state of the treasury, its means and liabilities, to Congress. The government was bound to pay the interest upon these sums to the Indians, or forfeit its faith, pledged through the treaty-making power, or it was bound to invest the principal so that the Indians might receive the interest from other debtors. Congress had exercised its option and preferred to appropriate the interest simply, and wait the sale of the lands to realize the capital to be invested. [Here Mr. Webster inquired, ‘Where did Congress get the option?’] Mr. WRIGHT asked, does it not follow from the very nature of the transactions between the parties? The Indians sell and convey their lands to the United States, and surrender the title and possession together, upon the faith of treaty stipulations. In consideration of the lands sold, the United States agree to hold certain portions of the purchase-money, and invest them for the Indians. The United States alone are trusted, and the receipt by the Indians of the annual interest upon the sums to be invested is a good compliance with the contract to them. Would it not be a perfect technical compliance, if the government were, by way of investment, to issue to the Indians its own stocks?

And can it be material, so long as the United States choose to remain the debtors, whether this form be gone through with, or the treaty be left as the evidence of liability, and Congress annually appropriate the interest on the money as it would upon the stocks? It seemed to him that the inquiry of the Senator raised a distinction without a difference of interest on either side, and questioned the right of Congress to its option in a case where the option could not but exist from the nature of the transactions. The most the Indians can claim is the liability of the United States for the interest and principal of their money. That they have by the solemnity of treaty stipulations, while the money is not invested. When it shall be, they may have securities of a less desirable character, but in conformity with their contract. The only question, then, which could influence Congress, in its option, was the interest of this government and the convenience of its treasury.

“Could it be wise for Congress, in the fulfillment of treaties of this character, and with such parties, and at a time when there was not a surplus of money in the treasury, to have directed loans upon the credit of the people for the payment of debts, the payment of which was not a matter of feeling or interest with the creditor, and for the eventual payment of which an ample fund had been provided by the terms of the contract which made the debt? Could loans have been made at a rate of interest less than that stipulated to be paid to the Indians? That will not be pretended.

“Where, then, is the cause of complaint or of fault? It is simply in the assumption that here is a debt not mentioned by the President, and still a debt against the public treasury and the people of the country.

“Is this so, in the sense in which the complaint has been preferred by the honorable Senator against the message of the President? Mr. WRIGHT had admitted that there was a liability to pay, and an ample fund in the lands ceded by the Indian treaties to make the payment, and had attempted to show that Congress had acted wisely in appropriating the interest upon the money merely, until the sale of the lands should bring into the treasury interest and principal, and thus enable the investment to be made without the contraction of a permanent debt.

“Was there anything in all this new or singular, or peculiar to this administration? How long had this government been making treaties with the Indians for the purchase of their land, and contracting obligations with them? And if these are items of the public debt, why not their annuities for the purchase of the same lands, which are of a large amount? They are debts in the nature of investments, but they are never reported as part of the public debt of the country. Neither are to be found in any report heretofore made from the financial department of the government, under any administration which has ever existed, as items of our public debt. They are not so by the law, and they have never been so treated in practice. He had in his possession a document which he had obtained for another purpose, and which contained a schedule of the entire Indian treaties up to last year. He should think—for he had not taken the trouble to count them—that there were several hundreds, and on casting his eye over them this morning he found they commenced, at the latest, as early as 1790, and had been made constantly, if not strictly annually, up to this time.

“The practice of stipulating to invest sums of capital, though not new in the administration of our Indian affairs, had greatly increased within the last few years. He had had occasion to become personally acquainted with an old case. He referred to the deposit, by the Seneca Indians of New York, of the sum of \$100,000 with the United States, being part of the consideration money for their possessory title to their reservations under the stipulation on the part of this government, as he was informed and believes, that they should receive six per cent interest upon their capital so loaned. He spoke from recollection, and would not be confident, but his impression was that the contract was entered into in 1806. He could further inform the Senator that, during the administration of John Quincy Adams, this money had been invested in the three per cent stocks of the United States then outstanding, and that Congress, while he was a member of the other branch, as he now recollected and believed, appropriated the other \$3,000, or about that sum, to make up to the Indians the interest to which they were entitled. This was an old case, and he spoke from memory in regard to it; but from

it the honorable Senator could see that, if we were now to go back to the commencement of our Indian relations and bring up a new account of public debt, we should be compelled to look far behind the time of Mr. Van Buren, as well as to begin an entirely new calculation of debt. If the honorable Senator would look for the investment of this Seneca fund of \$100,000 he thought he would look in vain; and yet it had never appeared in any statement from the treasury, as an item of our public debt. An estimate for the interest would be found in every annual estimate of expenditure since the redemption of the government stock in which the last investment was made, but the capital was not mentioned, because it had not been reappropriated for a different investment. Still, the Senator would not be disposed to charge this \$100,000 to the present administration, as a debt contracted by it and to be unjustly palmed off upon its successors.

“Yet this was but a fair sample of the policy of going back into these Indian relations to find an existing debt, not disclosed, against the present administration. If we adopt the idea, we must go back, not to 1806, but to 1790, and bring up the account through all the administrations which have existed under our Constitution, and then solve the question whether that administration is to be most censured for contracting debt which has succeeded in extinguishing most Indian title to the public domain of the country, or whether the debts so contracted have been and are considered as resting upon a sure fund for their redemption in the lands purchased; while the treaties are, in every other respect, beneficial to the country, to its population and prosperity, and to its treasury.

“He believed the last and the present administrations had extinguished more Indian titles, and brought more of the public lands into the market, and within the reach of settlement, than any other two, if not more than all preceding administrations; and, as a necessary consequence, the amounts of purchase-money paid, and agreed to be paid, in the shape of annuities, investments and otherwise, would be greater than under previous administrations. But what had hitherto been the estimate placed by the country upon such policy successfully prosecuted? Had we been in the habit of setting down these purchases of

Indian lands as bad and losing bargains, — as imposing burdens upon the treasury and debts upon the country, — or as improving the public revenues and strengthening the treasury, while they enriched the country? Had it ever been supposed that the lands purchased were not much more than sufficient to pay the debts contracted?

“If, however, this movement was the indication of a change of policy by the coming administration in regard to the lands; if the fund thus provided to pay these debts is to be separated from the debts; if the lands, or their proceeds, are to be given away, and the liabilities incurred under the Indian treaties are to be left unpaid upon the hands of this government, then indeed the amounts due to the Indians, as well in annuities as in investments, or otherwise, may justly be counted as debts, as permanent, enduring debts, only to be paid by taxation upon the people. He would tell the Senator, however, that that administration and that party which shall adopt this new policy, and give away the lands without discharging these obligations incurred for their purchase, will be the administration and the party which will charge these sums upon the people as debts, and which must bear the responsibility of the act.

“The honorable Senator proposes to have a new set of books opened, to protect the next administration from the debts and liabilities incurred by this; to establish what he calls ‘a rest’ between them. Mr. WRIGHT would go with him to do this; but he should insist that the accounts be fairly stated and the books fairly kept; that when the Senator had charged the administration of Mr. Van Buren with the debts due to the Indians, he should credit it with the lands which formed the consideration for the debts. In this way, the account would present the whole truth, and he did not fear the responsibility of balancing the books so kept.

“He was aware that one most expensive treaty had been made, not by this, but the last administration, without profit to this government. He referred to the last treaty with the Cherokees, for the extinguishment of their title to their lands. These lands were principally in the State of Georgia, and the Indian title was extinguished for the benefit of that State, and not of the

national treasury. Yet this treaty was but a late fulfillment of an obligation resting upon this government in favor of that State, and almost as old as the government itself; an obligation entered into to acquire its title to a large portion of the public domain, and upon which, therefore, the moneys paid and payable under that treaty are justly chargeable, and from the proceeds of which they should be reimbursed to the public treasury.

“Still, this treaty being included, the proceeds of the public lands would clear all former administrations, as well as the present, from any responsibility for debts contracted under Indian treaties. Let the new set of books, then, show both sides of the account, and contain a full and fair statement of the whole matter, and we shall not hear that this or any other administration has run the country in debt by the extinguishment of the Indian title to our immense public domain. Let the proceeds of the lands stand against the moneys paid and the liabilities incurred, and see if these have been bad and unprofitable and losing bargains.

“Is this to be charged at this day, and from that quarter? How long is it since we heard a very different account of these Indian contracts? Since he had been honored with a seat here, the charge had been made in this chamber, and repeated much more loudly and widely out of it, that our Indian policy was a swindling policy; that we were purchasing their lands for a song, and driving them to the ends of the earth for a resting place. Then, the charge was that we were making cruel bargains with the ignorant savages, the poor Indians! Now, it is that the administration has been loading the country with debt by making these same bargains. It will not do, said Mr. W.; it is too soon to make this short turn, and wholly change the character of the complaints growing out of our Indian relations. The facts will not sustain the last position. The bargains, as a whole, have been profitable, vastly profitable, to the public treasury, and the lands yet unsold constitute a fund a hundred-fold more than sufficient to discharge every remaining liability. So much for this mode of showing the President in error in his statement of our public debt.

“The honorable Senator proceeded to enumerate other heads,

under which he did not assert, but expressed his *suspicion*, that there were existing debts. He did not attempt to enumerate items of debt, and it was impossible for Mr. WRIGHT to conjecture what the items were, or for what the debts were suspected to have been contracted. The heads enumerated were, debts for the public works, debts for the Florida war, debts for Indian depredations at the north, and debts for other things.

“Well, now, as to the debts for public works; there might be such, but he, Mr. WRIGHT, did not know what they were—he did not know that there were any. He was sure it could not be possible that the Senator intended simply to inform us that there were public works commenced which it was the interest of the country to prosecute, and that money was to be appropriated for them. And if there was a debt for public works, other than such a prospective obligation, he was ignorant of it. If that description of account was to be opened, he would abandon the discussion with the single remark that the honorable Senator would be fortunate if he found the new administration clear of obligations of that character, either at its commencement or its close.

“What was the debt growing out of the Florida war? He, Mr. WRIGHT, was ignorant of it, unless it consisted of claims for losses sustained by citizens in consequence of that war; and did any man suppose that the President of the United States, or the Secretary of the Treasury, was authorized to present those claims to the country as a part of its public debt? Are they so, in fact? They have been presented year after year, and session after session, to the Congress of the United States, and a Congress has not yet been found to recognize a dollar of them. And were the executive officers, in the face of this action of Congress, to declare them public debts, to state their amount, and call upon Congress for provision for their payment? The slightest reflection would convince the Senator that such was a very uncertain and dangerous way to make up an amount of debt. It would be nothing short of executive usurpation of a fearful character.

“Then the debts for Indian depredations at the north—as, if he understood the Senator correctly, this was one of his heads of enumeration—he knew nothing of them; he knew not what or where they were.

“But there were ‘debts for other things;’ yes; why did not the honorable Senator bring in the \$5,000,000 for French spoliations previous to the year 1800? That was as much a debt as the others. It was a claim not recognized by Congress. The honorable Senator believed it was a debt; he, Mr. WRIGHT, did not. Why not call up the pension list? That is a debt which we must pay until the gallant old soldiers are no more. It was just as properly presented as the Indian annuities. Why not present the claims of the heirs of the late Robert Fulton? Many supposed that a just debt. The Mead claim? Many thought similarly of that? In short, why not present the 10,000 claims which their Secretary told him would, in a day or two, be inventoried, under a resolution of the Senate of the last session? There are 10,000 claims on the files of the two Houses of Congress, and are they debts to be charged to the administration of Mr. Van Buren? Was this to be done before Congress had recognized their justice, or made them debts at all? He hoped not, and he believed not.

“Again, the honorable Senator said, if he, Mr. WRIGHT, understood him aright, that the Secretary of the Treasury had authorized the assumption that this administration was to throw a balance of debt on the next, by the admission that he did not anticipate the payment of the outstanding treasury notes previous to March, 1842. [Mr. Webster observed that he was not conscious of having stated that.] Mr. WRIGHT did not wish to misrepresent the Senator, but he had so understood him, and so read his remarks published in the *Intelligencer* of this morning. He would, however, refer to the seventh page of the annual report of the Secretary of the Treasury for the present year, now upon our tables, to prove that such was not his anticipation, but that he expected the revenues of 1841 would meet the expenses of that year, redeem the whole outstanding balance of four and a half millions of treasury notes, and leave in the treasury, in money, on the 1st of January, 1842, the sum of \$824,273.

“The statement of the Secretary is as follows:

“ ‘More details concerning the estimates of the next year will be proper, and will illustrate the correctness of some of the preceding results.

“ ‘It may be stated, from the best data in possession of this department, that the receipts, under the existing laws, will probably be as follows:

| | | |
|---|--------------|--------------|
| " 'From customs | \$19,000,000 | |
| " 'From lands..... | 3,500,000 | |
| " 'From miscellaneous..... | 80,000 | |
| " 'Add the expected balance in the treasury, available on the first of January next..... | 1,580,855 | |
| | | <hr/> |
| " 'The aggregate of ordinary means for the next year would then be | \$24,160,855 | |
| " 'There will be nothing more, either of principal or interest, due from banks, which is likely to be made available, except about..... | 220,000 | |
| " 'A power will exist, under the act of 31st March, 1840, to issue treasury notes till a year from its passage expires, but not to make the whole emission outstanding at any one time exceed five millions of dollars. | | |
| " 'This will furnish additional means, equal to the computed amount which can be issued at the close of the present year, being about..... | 842,618 | |
| | | <hr/> |
| " 'Hence, there may be added from these several sources so much as to make the whole means for the next year..... | | \$24,723,473 |
| " 'On the other hand, the expenditures for 1841, for ordinary purposes, if Congress make no reduction in the appropriations requested by the different departments, are estimated at..... | | 19,250,000 |
| | | <hr/> |
| " 'This would leave a balance in the treasury, at the close of the year, equal to..... | | \$5,473,473 |
| " 'But certain payments must also be made on account of the funded and unfunded debt, unless Congress authorize contracts to be formed for extending the time of their payment. Thus, there will be required, | | |
| " 'On account of the funded debt, chiefly for the cities of this district..... | \$149,200 | |
| " 'For the redemption of treasury notes, if all the others be issued which can be under the present law, as then the amount returned within A. D. 1841 will probably not exceed | 4,500,000 | |
| | | <hr/> |
| " 'Estimated balance in the treasury at the close of the next year, after all payments whatever | | \$824,273' |
| | | <hr/> |

“It was not, then, supposed by the Secretary that this debt of four and a half millions was to be thrown over to 1842. He expressly anticipated its payment in 1841. He would now pass, very briefly, to other topics.

“The honorable Senator complained that the President, in his message, and the Secretary, in his report, had made reference to the money on deposit with the States, and called with earnestness to know whether the President or the Secretary had recommended the withdrawal of that money, or any part of it. He, Mr. WRIGHT, found no such recommendation, and for the best of all reasons, in his judgment,—there was no necessity for it; the revenue of the year 1841 was expected to be equal to the expenditures of 1841, including the redemption of \$4,500,000 of treasury notes. The deposit with the States was referred to as an item of property belonging to this government, but was not mentioned as in the power of the Secretary of the Treasury or of the President. It was in the hands of Congress, an accumulation of former years when taxation was heavier than at the present time, and was referred to to show that there was no cause for increased taxation upon the people; that the government, as such, was possessed of means to discharge every existing liability, and to present a balance of some \$17,000,000 or \$18,000,000 for the future disposition of the national Legislature. This certainly could be no just cause of complaint. The President and the Secretary had been in the exercise of most responsible trusts. They were about to surrender them to others, who would seem more directly to represent the public will and choice. It was their duty to present a true and full account of the public property and the public interests as they supposed them to exist; and surely a reference to an interest of some \$28,000,000 of safely invested money could not be considered singular or censurable.

“The honorable Senator had seen fit further to complain that the President had not recommended a modification of the tariff and an increase of taxation. Why should he have done so? The calculations and representations of the responsible officer charged with that duty showed that more revenue was not required for the contemplated service of the coming year. Why, then, should the President have recommended measures for an increase of revenue?

“If there had been a just anticipation of a deficiency of means to meet the wants of the treasury it would have been incumbent upon him, as it would upon the Secretary, to have pointed out the mode and recommended the measures to supply that deficiency. Such did not appear to be their anticipations, and their communications to Congress had been made to conform to their sense of their public duties. It might have been very uncharitable in him, but, when the Senator was indulging in his remarks upon this point, he could not but feel that the gentleman was impressed with the exceedingly difficult question, the many knotty points, which the adjustment of the tariff is likely to present to the coming administration, and that it was the manifest interest of the now dominant party in the country that poor defeated Mr. Van Buren should come in and make an effort to settle it in advance. It could not fail to be seen that portions of that triumphant party would complain of anything which any man could recommend upon this subject, and the Senator might kindly suppose that complaints could not now harm the President.

“So far from reciprocating these feelings, Mr. W. rejoiced that it had not been found necessary for the present President to touch this vexed question. And he could not be mistaken in supposing that it would have been indecorous in him, after the tremendous defeat he had experienced at the late elections, to have reached after disputed topics with a view to their final and permanent adjustment by himself or his friends. He was taking leave of his responsible position, and Mr. W. rejoiced to believe he was doing what he believed it was alone proper for him to do,—confining himself strictly to the discharge of those duties which his short remaining official term required at his hands. In reference to the adjustment of the tariff, he had done as he should have done: he had left the whole matter to those who are to come after him, and who should be, as they claim to be, the more immediate and acceptable representatives of the popular will; and he, Mr. W., did not speak untruly when he said his most ardent wish was that they might be able to adjust that difficult question happily for the country and satisfactorily to every interest involved.

“A single word more and he would close. The honorable Senator concluded with a remark which manifested a disposition to say that the friends of this administration were, or were to be made, responsible for the necessity of an extra session of Congress, if a convention of the new Congress should be ordered by the new President. Now he, Mr. WRIGHT, was one of those who should do everything in his power to obviate any such necessity; and to accomplish that object with the greatest certainty, he should use his utmost endeavors to keep the appropriations of this session within the anticipated means of the year 1841. He believed the estimates supplied all the necessary wants, and he intended to adhere to them strictly. Having done so, he should cheerfully leave it to those who have been placed in power, by a triumphant expression of the popular voice, to call a Congress when they pleased, and to recommend such measures as they pleased. [Mr. Webster having made some remarks in reply resumed his seat.] Mr. WRIGHT said he rose to make a very few explanations, and would detain the Senate but a few minutes.

“He thought the Senator in error as to his additional six millions of means which had been expended during the term of the present administration, arising from deferred merchants' bonds. He spoke from recollection, and would not be confident, but the only general suspension of bonds which he recollected took place under the act of Congress of the 16th of October, 1837, passed at the extra session of that year, and that was a suspension but for nine months, and could only have operated upon bonds falling due in that year.

“In reference to the Senator's remark as to the President's anticipation of a further diminution of the expenses of the government, he preferred that the President should speak for himself. The Senator said that he assigned no other cause for the expectation than the diminution of the pension roll by death. What the President did say was :

“ ‘ Causes are in operation which will, it is believed, justify a still further reduction, without injury to any important national interest. The expenses of sustaining the troops employed in Florida have been gradually and greatly reduced, through the persevering efforts of the War department; and a reasonable hope may be entertained that the necessity for military operations in that quarter will soon cease. The removal of the Indians

from within our settled borders is nearly completed. The pension list, one of the heaviest charges upon the treasury, is rapidly diminishing by death. The most costly of our public buildings are either finished or nearly so, and we may, I think, safely promise ourselves a continued exemption from border difficulties.'

"His principal object, in rising at this time, was to make a correction of an error into which the Senator had fallen in his first remarks, in reference to the manner of keeping the accounts of the trust funds at the Treasury department. He had intended to make the correction before; but not having noted it on his brief, it had been forgotten. He was expressly authorized to say that separate and distinct accounts of all trust funds were kept at the department, with all the accuracy and care which characterized the keeping of any accounts there. The books containing these accounts were regularly brought up, and the statement of any such account could be regularly and accurately made from them; but the state of these accounts was not, as matter of course, communicated to Congress with the Secretary's financial report. Such communications were always made when called for, and not otherwise. The Senator would see, therefore, that his idea — that these accounts, and the moneys in the treasury to their credit, had become intermingled with the general affairs of the treasury, so that it was difficult to tell how the trust funds did actually stand — was a mistaken one. There was no confusion upon the subject at the department. [After a few remarks from Mr. Webster] Mr. WRIGHT said he wished to add a single remark which he had omitted when last up. The Senator complained that the sums which were stipulated by the Indian treaties to be invested for the Indians did not appear in the annual estimates of the Secretary of the Treasury. He said the Indian annuities were annually estimated for, and therefore were made to appear to Congress yearly as claims which must be paid. Mr. WRIGHT thought it was a perfect answer to the suggestion to say that the interest upon the sums stipulated to be invested, and not invested, was annually estimated for, as the Senator would find by examining the estimates for the Indian department, and this estimate showed the liability as fully as an estimate of the principal would do. The estimate is for the

annual interest upon a sum named and stipulated by treaty to be invested. Is it possible to specify the liability more distinctly or plainly? Are our liabilities for the annuities more fully exhibited in the estimates? He could not see that they were.

“Another single remark would content him. The Senator seemed to suppose it doubtful, from the message of the President and the remarks of himself, whether they did not both favor a recall of the moneys on deposit with the States, rather than the imposition of duties upon ‘wines and silks.’ Of the opinion of the President upon this subject he could say nothing, because the President had expressed no opinion; and for himself, he could say that he had neither given, nor intended to give, any opinion upon this point. He would not certainly favor a recall of the money deposited with the States until the treasury wanted money, and when that state of facts should be shown, and he should be asked for a vote, either to recall those moneys or to impose a duty upon wines and silks, he should not be found unprepared, or reluctant, to make the decision.

“The question was then taken on the motion of Mr. WRIGHT [to refer to the Committee on Finance], which was agreed to.”

CHAPTER LXXXVIII.

THE PRINCIPLES OF GRANTING PENSIONS.

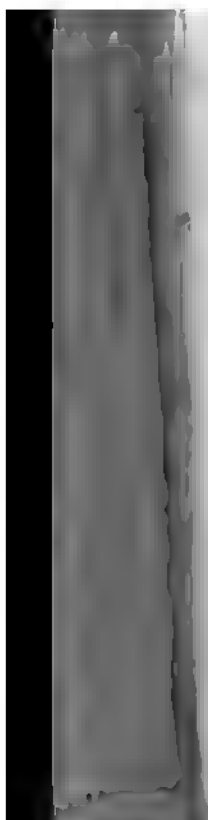
Pensions were originally granted to those who were made invalids by service in the army or navy. From a very small beginning, by enlarging the principles upon which they are granted, our pensions alone now cost the treasury as much, if not more, than the whole government did in Mr. Adams' and Gen. Jackson's time. In early times the widows and orphans of naval officers were pensioned and paid out of a fund created by small monthly contributions withheld from their regular pay, and by applying the government's share of naval prizes to that object. Now they are paid directly from the treasury. Pensions were, as early as 1818 and 1832, granted to all who served in the war of the Revolution. These were subsequently extended to their widows. Now we pension those who served in the war of 1812, as well as those disabled in our late war, and the widows and children of those dying in the service. It has often happened that Congress has, by special act, given pensions to those who were not included in any general law. On the 23d of December, 1840, the case of Hannah Leighton came before the Senate, when Mr. WRIGHT addressed that body in opposition to it. He expressed his fears that the principles upon which pensions were allowed would be expanded to an alarming extent, and that individual cases might be granted, where congressional action was based solely upon sympathy. The following remarks disclose the principles upon which he acted. The bill passed by 29 to 13.

“Mr. WRIGHT hoped he might be indulged in a few remarks

on the subject then before the Senate ; and he owed it to himself to say, however much less sensible he might appear to be to the sympathies of the human heart than other Senators who had preceded him, it was with great embarrassment and pain that he opposed a case of this kind ; and were it not that he saw in it the introduction into their legislation of a principle of fearful extent, he should not be heard in opposition ; but under that consciousness he had opposed it before, and he felt bound to do so again. But he begged permission to say a few words in explanation. He did not question at all the right of the present Committee on Pensions to introduce a new principle into the pension system ; he had no doubt that this case had appealed to the strongest feelings of their hearts, and that they had been induced by their sympathies to present it to the Senate ; but he desired to say that it was presented here on a principle new to him in the pension system. What had been the ground assumed as the basis of pensions hitherto ? Length of service. Upon what principle was the law of 1818 based ? If his memory served him right, it was service in the regular army, and for at least nine months. Upon what hypothesis were pensions based then ? He could not say positively, for he was not in the Congress at that time, but he had always supposed on the hypothesis that the time of a man had been consumed in the service of his country, and that he had never been remunerated for that service, or that he had been paid in continental paper which was worth nothing ; and at that late day, that was the manner in which it was proposed to compensate him for the early service of his life in the perils of that war. That he supposed to be the predication of the pension act of 1818. They passed on, then, so far as his memory served him, without any important addition to that act until the year 1828, and then they passed a very important law pensioning a certain class of officers of the Revolution. And on what ground ? Why, they had been patriotic enough to peril their lives in the service of their country. Yes ; and he, Mr. WRIGHT, was acting at the time that law was passed ; it was as a commutation of a promise held out to them by the old Congress, which had either not been fulfilled or not equivalently fulfilled ; on that he knew the action of Congress was based, or of

the other branch of it, of which he was a member when the law of 1828 was passed. In 1832, again, a much more broad and comprehensive pension act was passed, but he, Mr. WRIGHT, was not then a member of Congress. But what was its peculiar characteristic? First to shorten the term of service from nine to six months, and to comprehend the militia as well as the regular army. These, according to his recollection, were the features of that law — a term of service, sacrifices, and loss of time, which had not been compensated for, was the predication of that law. Well, then, so far pensions were confined to persons who had performed service, and they had not then departed from that principle either in favor of widows or heirs. In 1836 another pension law was passed, and a most significant and important law it was. He was a member of this body at the time; and he felt it to be a just reproach upon himself when he said that, when that law was passed, he was not fully aware of the extent of its provisions—he then was derelict of his duty; but what were the principles of that law? It retained, to his understanding, the same predication; it extended pensions to the widows of officers and soldiers of the Revolution, who were the wives of such officers and soldiers at the time when they performed service—to widows who had themselves sustained sacrifices, and injuries produced in their families, by the taking away the head of the family into the military service of the country. So far, then, though they had gone a step beyond the individuals who had performed the service, they had retained the broad basis on which the pension system was founded. It was in 1836 that that law was passed; and in 1838 they passed another most essential measure, as they had seen in its operation on the treasury, for he thought he was not mistaken when he said it had taken \$4,000,000 from the treasury, or had added that much to the expenses of the government. These laws were passed when they had an overflowing treasury, impelling them on to an overflowing expenditure. This, then, was a brief review of what he understood to be the general pension laws which had been passed; he knew, as the honorable chairman of the committee said, that particular laws had passed, but he asked if this proposed law did not contain a principle entirely

new? From the fact stated by the Senator from Massachusetts, the time was nothing, at the most but twenty-four hours, but it was the service of the life of a gallant and patriotic officer. But he was not the first man that fell, for the Senator from Massachusetts told them that five or six freemen of this country fell before the weapon was aimed at the life of this officer. Could they, then, pension his widow, and not the widows of those other men? Could they make such a distinction? Yes, and the next day, and the next, the patriots of that period rushed to the battle field; and should they say that the widow of the man who fell on the first day of that contest should have a pension for her life, and that the widows of those who served in that patriotic struggle for a longer period, and then fell, should have no compensation? Could men make this distinction? Could their sympathies induce them to yield to this claim, and not yield to the others? He had spoken in admiration of the committee, and that admiration made it a most reluctant duty to oppose them; but to what extent the principle might be carried, if they opened the door, he could not say, and, therefore, he felt impelled to guard against unforeseen evils. Who had apprehended, when the law of 1838 was passed, the millions on millions that had been taken from the treasury in that short period? No man, he ventured to say. Who could say now, if they adopted the principle, that the living widows of other gallant spirits who rushed to the battle field on the first day of the Revolution would not claim to be pensioned for life, and not only pensioned for life, but, as in this case, for some years back? [Mr. Benton—Nine years back.] Mr. WRIGHT continued. To what extent the principle would lead, he could not conceive. If this bill were to become a law of Congress, if this case were to prevail, who could stand up and protect his sympathies against granting similar pensions to the widows of those who fell at Lexington before the fall of this officer? It was views of this sort that impelled him a year ago, and which would impel him now, to oppose this bill, appealing as forcibly as it did, with an irresistible force, to their sympathies and their feelings of humanity.”







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